

REGIONAL RESOURCE STEWARDSHIP COUNCIL MEETING  
OCTOBER 22ND & 23RD, 2012

VOLUME I OF II

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TVA  
400 WEST SUMMIT HILL DRIVE  
KNOXVILLE, TENNESSEE 37902

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## P R O C E E D I N G S

FACILITATOR WILSON TAYLOR: If we could go ahead and grab our seats, we will get started. Thank you.

Before we get started we wanted to check with everybody about lunch. Did everybody have a good lunch? Did anybody try the pecan pie?

CHAIR DEBORAH WOOLLEY: I want a show of hands.

FACILITATOR WILSON TAYLOR: Show of hands of who all tried it, and I will need to make a mental note to keep an eye on you as we go through the day.

CHAIR DEBORAH WOOLLEY: And there's more back there.

FACILITATOR WILSON TAYLOR: In the back?

CHAIR DEBORAH WOOLLEY: Right back here.

FACILITATOR WILSON TAYLOR: Okay. Well, I am not going to encourage you to have more.

CHAIR DEBORAH WOOLLEY: But if the meeting gets tedious or boring.

FACILITATOR WILSON TAYLOR: That's right. If the meeting gets boring we will have some

1 more pecan pie.

2 So with that, what I would like to do  
3 is ask Bruce Schofield to offer some remarks.

4 Bruce.

5 DFO BRUCE SCHOFIELD: Okay. I just  
6 want to welcome the group to the last session for the  
7 sixth term of the Regional Resource Stewardship  
8 Council and basically say that we have enjoyed those  
9 that are leaving the Council and won't be with us for  
10 the seventh term.

11 Those would be Mike Goodman, who I  
12 don't believe is here today; W. C. Nelson; John  
13 Matney; Paul Sloan, who is not here today; Renee  
14 Hoyos; and Deb Woolley, who has been Chair for the  
15 last few meetings.

16 We do appreciate the input. Your  
17 knowledge and your experience will be missed. We  
18 hope to replace with people with as much dedication  
19 and thoughtfulness to serve on the next slate, and  
20 we're finalizing that slate as we speak.

21 One thing we do want to do, as a token  
22 of our appreciation, we will probably ship to each of  
23 you, unless we have them and you just want to tote  
24 them yourself, a nice mantel clock to show our  
25 appreciation, a little piece of memory of your time

1 with us on the Council.

2 So thank you.

3 FACILITATOR WILSON TAYLOR: Thanks,  
4 Bruce.

5 Joe.

6 MR. JOE HOAGLAND: I am going to be  
7 replacing Bruce as the coordinator for the Council  
8 for the seventh term. And Bruce and I have been  
9 talking about some of the things that you-all have  
10 done and some of the things that we see coming on the  
11 horizon over the next couple of years, and I am  
12 really looking forward to the opportunity to work  
13 with you all. I think the advice and help that you  
14 have given TVA over the last six sessions have been  
15 very helpful.

16 And I am -- my goal is try to make  
17 sure that we continue that going forward and that we  
18 make sure we're engaging you in things that are very  
19 helpful to us and I think to make sure we utilize  
20 your skills and abilities and advice as best as we  
21 possibly can.

22 So I am just looking forward to it.  
23 And today I am just kind of here to support Bruce and  
24 kind of phase into things.

25 FACILITATOR WILSON TAYLOR: Thank you,

1 Joe. John Myers, do you want to make some comments?  
2 Do you have anything you want to add?

3 MR. JOHN MYERS: I just appreciate  
4 y'all being here, appreciate the — following on  
5 what — I work with Joe. Following on the comments  
6 that he said, we're looking forward to make sure that  
7 the advice of this group, that we hear it that we  
8 facilitate meetings that get the key issues out there  
9 and get your input. So we value your contributions  
10 and look forward to working with you through this  
11 meeting and the seventh term.

12 FACILITATOR WILSON TAYLOR: Thank you,  
13 John.

14 Madam Chair.

15 CHAIR DEBORAH WOOLLEY: I just want to  
16 thank everybody for what you-all have meant to the  
17 Council and most of all for the chance to get to know  
18 you and work with you, that's been pretty special.

19 I know I have come away from the  
20 Council with a much deeper understanding and  
21 appreciation of what TVA does, the challenges they  
22 have, and I think how much they need folks like us to  
23 understand it and also then to become advocates for  
24 it and messengers out in the community.

25 I think as we get into today's work we

1 — I know the last session we had got into some  
2 really deep issues and it seemed like one of those  
3 things on the front end it was going to be very  
4 simple and it ended up being much more complex, and I  
5 think that's a good thing. I think we will see the  
6 same thing today.

7                   So if you haven't had the pecan pie, I  
8 would advise it. It will make you enjoy the meeting  
9 more and make you be a little more talkative and your  
10 ideas will probably be more creative.

11                   FACILITATOR WILSON TAYLOR: As I said  
12 earlier, I am not inviting you to have the pecan pie.  
13 Thank you, Deb.

14                   What I want to do real quick is go  
15 over the agenda. What we want to do today is provide  
16 some updates. So we will have several TVA staff that  
17 will be here to give you updates on progress that  
18 they are making.

19                   At the end of the day we will have  
20 some time to get your advice about 26(a). We're  
21 going to introduce the questions. And Karen Rylant  
22 is going to close us out with a discussion about  
23 what's going on around them. I know there's been a  
24 lot in the media about what we're doing in that area.  
25 So we wanted to get some advice starting today and



1 following up tomorrow to get some additional advice  
2 from you.

3 We have a lot to do. I would  
4 appreciate it if our speakers can be mindful of that  
5 and make sure we stay on track. So what I would like  
6 to do now is call the first speaker to talk about the  
7 Natural Resource Plan.

8 Deb, anything else before we call  
9 them?

10 CHAIR DEBORAH WOOLLEY: Huh-uh.

11 FACILITATOR WILSON TAYLOR: Okay. So  
12 what I would like to do, Evan, if you would.

13 MR. EVAN CREWS: Hello, everyone. Can  
14 everybody hear me in the back? Okay. Great.

15 Again, I want to thank everybody for  
16 coming to Knoxville today or coming to the towers  
17 today. We value your input here and we very much  
18 appreciate your attention, especially on a beautiful  
19 fall day today. And again, we just thank you for  
20 your active participation in the next couple of days.

21 The Natural Resource Plan is something  
22 that many of you are very familiar with. You have  
23 provided a lot of input along the way in the  
24 development of the plan and, quite honestly, it is a  
25 much better plan because of the input and feedback

1 that you have provided us and we want to continue  
2 that today and give you an update on where we are in  
3 the implementation of our 20 year plan.

4 Okay. So the purpose of the Natural  
5 Resource Plan is to basically guide the  
6 implementation of our management of the natural  
7 resources in the Tennessee Valley for the next 20  
8 years.

9 It was accepted by the TVA Board of  
10 Directors in August of 2011, and concurrently with  
11 that the Board also approved the comprehensive  
12 Valley-wide land plan on that same date as well.

13 As a reminder, the resource areas of  
14 the Natural Resource Plan that it covers are  
15 biological, cultural, recreation, water, lands  
16 planning, and last but certainly not least, public  
17 engagement.

18 The priorities of the natural resource  
19 plan are to integrate these six resource areas such  
20 that we're not working independent of each of the  
21 areas but integrating the work that we together to  
22 come up with a better project, a better product, and  
23 to ensure that all of the resource areas and the  
24 stakeholders associated with them are integrated into  
25 the work that we do.

1           We also, of course, want to provide  
2     the optimum public benefits for the natural resources  
3     and the public lands that we manage. As we all know,  
4     oftentimes we have to balance competing needs upon  
5     these resources.

6           So what we're doing today is our first  
7     annual review of the resource plan. We committed in  
8     the NRP to provide annual updates to the Council, and  
9     so this is our first of those updates.

10          Of course, there's also a refresh that  
11     is done every five years. So our first five-year  
12     refresh will be implemented or begun to be  
13     implemented around 2016, and we will look at a more  
14     comprehensive assessment of where we are, where we  
15     should be at that five-year increment, and make  
16     adjustments as needed.

17          So basically what the goal of the  
18     annual NRP is -- the annual review is to assess and  
19     evaluate our NRP implementation efforts, the measures  
20     of success, which I will go over here briefly, were  
21     selected not necessarily to provide details for each  
22     individual program, but it is something that allows  
23     us to measure the overall success of the NRP. We  
24     will be developing more detailed metrics for the  
25     specific program areas as we proceed.

1                   So the measures of success for each of  
2 the resource areas, you can see that in the  
3 biological resources we have a measure for land  
4 conditions. We have a measure of success associated  
5 with the dewatering areas, which I will go over  
6 briefly in my presentation.

7                   We will basically touch on -- I will  
8 touch on several of these measures today in my  
9 presentation, and then we will also have other staff  
10 that will go into more detail on some of these as  
11 well.

12                  For example, cultural resources, Erin  
13 Pritchard and also Steve Fisher will go into more  
14 details regarding those particular areas.

15                  Jack Muncy will discuss in detail the  
16 land condition assessments and our work there. Clay  
17 Guerry and Will Jagels will be discussing the trails  
18 program and also a public outreach web site that were  
19 developed for dispersed recreation.

20                  So I will touch on some of the other  
21 areas here through my presentation, but I am not  
22 going to go into a lot of detail on some of these  
23 others.

24                  So, again, here's the remainder of the  
25 resource areas and the associated measures of success

1 for water resources, reservoir lands planning, and  
2 public engagement. I'm not going to go into a lot of  
3 detail describing each of these. We can read over  
4 these and get into the details as we go along in the  
5 presentation. If there's any questions associated  
6 within any of these specific measures, feel free to  
7 ask and we can address those in a more specific way.

8 So the first resource area that I am  
9 going to cover today is recreation. The measures of  
10 success are associated with the Camp Right Campground  
11 Program day-use areas and stream access sites. The  
12 camp -- TVA's Camp Right program is in a pilot phase  
13 at the moment.

14 We have assessed the 11 TVA  
15 campgrounds and three privately operated campgrounds  
16 using a draft checklist that has been developed.  
17 There were some improvements made to the TVA  
18 campgrounds based on those assessments, and they  
19 included low flow faucets, timed faucets and showers,  
20 timed lighting, and things of that nature. So we  
21 have already used the pilot program to make  
22 improvements at some of the TVA operated campgrounds.

23 As far as the day-use areas go, we did  
24 an assessment last year for the day-use areas, and  
25 86.8 percent of the areas were considered to be in

1 good condition. The few that weren't were primarily  
2 due to signs that needed to be replaced or needed to  
3 have new language on them.

4 So there was actually an initiative  
5 last year where we upgraded signs always across the  
6 Valley. Many of those, or most of those actually,  
7 were on our recreation areas. Some of the -- we also  
8 took the opportunity to place some additional signage  
9 on some of our natural resource conservation lands  
10 and sensitive areas.

11 So it wasn't restricted to the  
12 recreation areas, but that's where a lot of that  
13 effort went. So that helped to bring many of the  
14 day-use areas back up to a good condition or helped  
15 to -- helped us to reach that goal.

16 Then also there was some areas that  
17 needed some additional sand for the beaches, and  
18 we're working that into our performance plan and  
19 budgeting process as a need that has been identified.

20 So continuing on with recreation. TVA  
21 does continue to manage 51 out of the 81 stream  
22 access sites that are on TVA property, and these are,  
23 of course, all over the Valley.

24 A project that we wanted to make note  
25 of is on the Ocoee River at Ocoee No. 3. There was a

1 project where we worked in partnership with the  
2 Forest Service to extend a -- basically to bring two  
3 take-out ramps together and to make one larger ramp,  
4 and that allowed for a safer environment for  
5 launching and it also allowed for a better launching  
6 in general for large groups and things of that  
7 nature.

8 Of course, the Ocoee area is an area  
9 that we very much work in concert with the Forest  
10 Service and TDEC to manage the heavily visited and  
11 very valued Ocoee and Hiwassee rivers in that area.  
12 That's one project of many over the years that we  
13 worked on.

14 Moving on to water resources,  
15 hopefully. There we go. Clean marinas. So as of  
16 2002 87 marinas had been certified as clean marinas.  
17 Of those 34 have maintained their certification.  
18 Three have decided to drop out of the program. One  
19 has -- has closed, is no longer a business. One has  
20 changed their services such that they are no longer a  
21 marina essentially.

22 The remaining 48 that -- of the  
23 original 87 are not currently certified because they  
24 are out of compliance with their TVA permit. So  
25 we're working with those operators to try to bring

1     them back into compliance.

2             One of the core criteria, of course,  
3     for being a clean marina is to be in compliance with  
4     your TVA permit or contractual agreement. So that is  
5     something that we're working with those operators on  
6     to bring — either they have facilities that are  
7     outside of their harbor limits, they have unpermitted  
8     structures, they may not have a spill control plan  
9     that's up-to-date. There's a wide variety, as you  
10    can imagine, across 48 marinas as to why they are out  
11    of compliance. Some are minor in nature and some are  
12    less minor. So we're continuing to work on that.

13            However, the good news is that on  
14    Chickamauga, Lakeshore Marina was recently certified  
15    as a clean marina, and 18 marinas were recertified.

16            Continuing on with water resources.  
17    In 2012 125 stream and tailwater sites were assessed  
18    throughout the Valley in the Tennessee Valley  
19    Watershed. We have done those in combination also  
20    with six federal and/or state organizations and  
21    agencies, four universities, and four non-profit  
22    organizations.

23            One example of the nonprofit would be  
24    the Nature Conservancy, for example. They are quite  
25    impressive numbers. Of the 125 sites that were



1 sampled, 77,424 fish were collected and released, and  
2 that represented 179 species.

3 So that in and/or itself tells of the  
4 incredible diversity of the aquatic ecosystems in the  
5 Valley. There were 125 locations sampled, and that's  
6 approximately a fifth of the total sample that we  
7 rotate around in the Valley. So 179 species were  
8 collected. So that's quite an impressive  
9 biodiversity, and that's an area that this region is  
10 known for.

11 Also, after you collect the  
12 information, what do you do with it?

13 There were approximately 60 internal  
14 and external requests for the information associated  
15 with the stream assessments, everything from  
16 biological assessment summaries to fish list, things  
17 of that nature.

18 This data is used by non-profit  
19 organizations to help provide data for some of their  
20 efforts. It's used by universities for research.  
21 It's also used to help with larger scale conservation  
22 planning efforts.

23 So this data is important to TVA  
24 internally because it's information that helps with  
25 operational assessments. However, it's also used

1 quite extensively through adversity of external  
2 partners as well.

3 Just a couple of things to note. Two  
4 species were found in areas that they had no longer  
5 been found before that — two rare species; and that  
6 is, the snail darter, you might have heard of that  
7 one, and also Anthony's River Snail. So both of  
8 those were found in locations not previously known.

9 Moving on to water resources,  
10 continuing with that, TVA is engaged in the Climate  
11 Change Sentinel Monitoring System, and that's also a  
12 program within the Natural Resource Plan. Because  
13 TVA is unique in the sense that we monitor outside of  
14 just the State of Tennessee but through seven states,  
15 we have a unique role to play in coordinating with  
16 other state agencies and other federal agencies  
17 because we can be a central point of contact or fill  
18 a role of coordination to help implement projects  
19 such as the Sentinel Monitoring Program.

20 Essentially TVA will be selecting or  
21 has selected some of the routine monitoring sites  
22 that we monitor every year or every five years,  
23 including some additional metrics, basically air  
24 temperature and water temperature, to assess the  
25 climate change of sentinel monitoring.

1           The Tennessee Healthy Watershed  
2 Initiative is something that we're putting a lot of  
3 resources into this year and will continue into FY13  
4 or fiscal year '13 and '14. It is a partnership with  
5 the Tennessee Department of Environment and  
6 Conservation, West Tennessee River Basin Authority,  
7 and the Nature Conservancy.

8           The goal of that initiative is to  
9 promote communication, collaboration, and thoughtful  
10 resource water planning among a broad partnership  
11 with these agencies and also associated stakeholders.

12           To date there has been two kickoff  
13 projects that have already been implemented, one in  
14 West Tennessee in the City of Jackson, and another in  
15 the City of Lebanon, Tennessee. Currently the  
16 technical advisory group, which is comprised of  
17 representatives from each of those coordinating  
18 agencies, is reviewing 22 proposals for selection of  
19 our first request for proposal.

20           So we have got a really strong list of  
21 proposals from which to choose from, and we're  
22 confident that the ultimate selections will make a  
23 difference -- a positive difference in the water  
24 quality in the State of Tennessee.

25           Moving on to TVA's dewatering areas

1 which, of course, is in the biological resources  
2 component of the Natural Resource Plan. The levies  
3 associated with the dewatering areas are considered  
4 to be a low risk as defined by the dam safety  
5 governance group within TVA. That is essentially  
6 because there is no private property behind these  
7 levies by which to -- that is threatened. So,  
8 therefore, it's considered a low risk category.

9           However, it is an area that we're  
10 putting some focus and resources on. These areas  
11 are -- have aging infrastructure. So we're -- we  
12 have a multi-year plan that's developed to improve  
13 the infrastructure, develop maintenance guidelines,  
14 and manuals for each of these facilities, and to  
15 improve the long-range viability of their operations.

16           We're working with our partners, which  
17 include -- depending on which facility you're  
18 referencing, it's -- we work with the U.S. Fish &  
19 Wildlife Service in Tennessee and Alabama. We work  
20 with TWRA on the Kentucky Reservoir and also Alabama  
21 Department of Conservation and Natural Resources on  
22 Wheeler Reservoir.

23           So as we work through this improvement  
24 plan, this capital improvement plan for these  
25 facilities, we're working very closely with our

1 partnership organizations to make them aware of the  
2 work that we're doing and to make their stakeholders  
3 aware of the efforts that we're doing as well. We're  
4 putting a lot of emphasis on trying to get the word  
5 out in a proactive manner in that regard.

6 We are working on several of these  
7 facilities this year, but I do want to just for the  
8 sake of time focus on West Sandy for this  
9 presentation. The pictures you see on the slides and  
10 on the projector is of the spillway area. You can  
11 see that it was becoming grown up with vegetation and  
12 alders and small shrubs and things of that nature.  
13 So it was impacting the capacity of the spillway to  
14 properly work.

15 So we went in last year and removed  
16 the vegetation, graded it to specifications, and  
17 planted it with -- made warm season grasses for  
18 erosion control and stability.

19 We're also working on putting an  
20 operations and maintenance and repair manual in  
21 place, and that will serve as the template for the  
22 remainder of the dewatering areas.

23 If you move on to the next page, the  
24 pictures kind of give you a scope of the project that  
25 we're working on. The pumps associated with these

1 pump houses as you can see are very large. They are  
2 also very custom. You have to fabricate them from --  
3 if you have to replace them, they have to be  
4 fabricated. It's not something you can go out to the  
5 Wal-Mart and get a replacement for. So there's a lot  
6 of logistics involved in maintaining these  
7 facilities.

8 Moving on to reservoir lands planning.  
9 That's a core area of the Natural Resource Management  
10 Plan. Of course, one of our goals is to update all  
11 of the 46 reservoir land management plans in through  
12 the single allocation methodology.

13 We are starting with Kentucky  
14 Reservoir, which is -- starting with Kentucky  
15 Reservoir, which is actually the largest reservoir on  
16 the system as far as our land base, there's a  
17 significant amount of reservoir properties there and  
18 it has the most potential to move the dial, so to  
19 speak, on our cumulative land allocations.

20 So as you see by the planning  
21 schedule, we seek to have Kentucky Reservoir plan  
22 completed by 2012, and we have done that. The draft  
23 allocations are complete, and I will get into that a  
24 little bit more on the next slide.

25 You can see that we have a plan to

1 move us out into the five-year refresh for the  
2 Natural Resource Plan. So we're going to be working  
3 on Wheeler Reservoir this year, and then we're moving  
4 on. You can see the stair step as to the steps  
5 needed to get us to one comprehensive Valley-wide  
6 land plan that is using the same methodology.

7 Speaking a little bit more in detail  
8 about the Kentucky Reservoir Plan, as I said, it is  
9 the biggest land base on the -- in the system as far  
10 as acreage goes. There were about 75,000 -- there  
11 are 75,000 acres of land on Kentucky Reservoir. That  
12 includes 4,000 polygons. For those of you that are  
13 familiar with the GIS methodology, that is a lot of  
14 work essentially in a nutshell to add and split and  
15 merge a lot of different polygons such that it's a  
16 useful planning document for the future.

17 There were 573 parcels of land that  
18 were identified and coded at the end of this effort  
19 and 37 map handles. Some of you may be familiar with  
20 some of our other land plans that we have done in the  
21 past. Watts Bar had six panels, for example.  
22 Chatuge Reservoir had one. So that gives you an idea  
23 of the scope and scale of the planning effort on the  
24 Kentucky Reservoir.

25 On the slide you see a snapshot of the

1 map but also of a parcel allocation. Those parcel  
2 allocations, all 573 of them, are going to be very  
3 useful for us to manage property along the reservoir.  
4 They include things as the land use, land cover, the  
5 current contracts or contractual agreements that may  
6 or may not be on that parcel, some of the potential  
7 projects that may be available for that particular  
8 project, and also partners.

9 So we're using this not only as just  
10 something to develop and put on the shelf, that's not  
11 the intent. This is going to be a working document  
12 that will help us to better plan and manage our  
13 reservoirs.

14 As far as how the allocations of  
15 Kentucky were ultimately distributed, you will notice  
16 on the slide here, the table, if you recall, Zone 1  
17 is absent here, that is because that is non-TVA land.  
18 It's our flowage easement parcels. So we don't  
19 actually plan that land. It's just the area that we  
20 represent on the maps, but since it's not TVA land we  
21 don't do management activities on it, of course.  
22 It's basically where we have the right to flood or  
23 other deeded rights.

24 Zone 2, project operations, is  
25 primarily dam reservations and public infrastructure



1 projects.

2                   Zone 3 is sensitive resource  
3 management. It's just what it sounds. It's the  
4 areas that have sensitive resources, whether they be  
5 wetlands, threatened and endangered species, cultural  
6 resources that we need to be aware of and manage  
7 appropriately for.

8                   Zone 4 is natural resource  
9 conservation. You can see that 55,000 acres are in  
10 that allocation, and that's the vast majority, of  
11 course, and that's areas that are used for dispersed  
12 recreation, such as hunting and fishing. We manage  
13 them basically for the natural resources that are  
14 there. However, they don't have the sensitive  
15 resources there in -- at least in the magnitude that  
16 would need to be allocated for a Zone 3.

17                   Zone 5 is industrial. It pretty much  
18 speaks for itself as far as the use that would be  
19 appropriate there. There's about 1,400 acres on  
20 Kentucky. Developed recreation are those areas that  
21 are campgrounds, marinas.

22                   You see that there's 110 parcels,  
23 which is quite a lot. The vast majority of those are  
24 relatively small areas that are boat ramps. Many of  
25 those are managed cooperatively with the game and

1 fish agencies along the reservoir.

2 Of course, Zone 7 is shoreline access.  
3 That's the areas where it is -- residential  
4 development is allowed or made behind there and  
5 the -- they may apply for docks and other private  
6 water use facilities.

7 Typically these are the areas where  
8 TVA has owned property in the past and has sold back  
9 lying property and kept in place deeded ingress and  
10 egress rights, and those are typically the areas  
11 where the Zone 7 parcels are located.

12 You can see that there's about 6,000  
13 acres allocated there. However, those are typically  
14 very narrow strips. They are not the larger parcels  
15 of land, such as Zone 4 that would be typically  
16 larger on a per acreage basis.

17 Moving on to public engagement. TVA's  
18 collaborating with local educators. We did a pilot  
19 project where we worked with the Anderson County  
20 School to develop some computer-based learning  
21 modules for an outdoor classroom. Some of the  
22 modules included TVA history, water quality,  
23 forestry, wetlands, and terrestrial modules.

24 So we're working to develop modules  
25 that can be replicated across the Valley for other

1 schools. This pilot helped us to make progress in  
2 that direction and develop some positive momentum in  
3 that regard.

4 One of the key tenants of the Natural  
5 Resource Plan, of course, is partnerships and the  
6 concept of leveraging resources so that we can effect  
7 more positive work on the natural resource management  
8 lands.

9 Last year we did begin a program to  
10 track volunteer hours and to promote the engagement  
11 of more partnerships. We did measure approximately  
12 10 percent of the resources above and beyond what TVA  
13 could have done alone.

14 So while it's -- for the first year of  
15 that program we feel like that's a good stepping  
16 stone. However, we intend for that number to  
17 continue to grow up as we go up as far as we move  
18 into the next phases of the Natural Resource Plan.

19 As far as GIS technology, we are  
20 working on a cultural database that will allow us to  
21 better manage the vast cultural resources that are  
22 located in the Tennessee Valley. This will help us  
23 to manage desensitive resources in a more  
24 comprehensive way and also to better integrate them  
25 with the other resources and databases that we have

1 currently.

2 Another example of public data sharing  
3 will be discussed by Will and Clay a little later on  
4 in more detail.

5 So that was a rather quick assessment  
6 of some of the areas in the Natural Resource Plan  
7 that we have been focusing on FY12.

8 The last slide here is a reminder that  
9 we have essentially three phases of implementation  
10 being -- and this is our second year from the  
11 August 2011 approval. We are in essentially the  
12 middle of phase one which is -- basically it's the  
13 foundational phase. It's the phase where we need to  
14 put in place the tools and the resources to enable us  
15 to be successful for the remaining 19 years.

16 Some of the things that I have went  
17 over align with the keys to success there. We are  
18 maintaining our current efforts and meeting the  
19 regulatory and legal requirements. Jack will go into  
20 that in more detail with some of the work that we're  
21 doing for the land condition assessments.

22 The data management, we're working on  
23 the GIS database, which is going to be a huge step in  
24 the right direction as far as managing of a critical  
25 piece of the resources. We're basically developing a

1 baseline of information of our public lands that will  
2 help us more comprehensively prioritize our work and  
3 to get the most bang for the buck and also to develop  
4 partnerships and focus our partnership efforts in  
5 areas with the most need.

6 We're developing program guidance for  
7 each of the program areas in the NRP in a way that  
8 integrates all of the resource areas such that we  
9 don't have a biologist working over here in a vacuum  
10 where there's a cultural resource specialist working  
11 on another project and they aren't talking. We're  
12 taking a team approach to develop these guidelines  
13 such that we're developing the synergy needed to be  
14 successful.

15 Finally, we made a huge step in the  
16 direction of a comprehensive Valley-wide land plan by  
17 completing the Kentucky Draft Reservoir Plan. Again,  
18 that reservoir represented about a third of our total  
19 land base. It was the first one out of the gate  
20 since the completion of the NRP, and we have found  
21 quite a few deficiencies in completing that work.

22 My hat's off to the staff that  
23 participated in that plan, and there was a lot of  
24 them, because it really -- to do that many acres in  
25 one year and the quality of the product that they

1 completed is a huge step in the successful  
2 implementation of the NRP.

3 So that is my quick assessment.  
4 Again, there will be some other more detailed  
5 discussions through the remainder of the day, but can  
6 I ask if you have any questions for me at this time?

7 FACILITATOR WILSON TAYLOR: Tom.

8 MR. TOM LITTLEPAGE: Yeah. Thank you  
9 for that presentation. I guess one question is as we  
10 get into this, understanding this is an evolutionary  
11 process and a lot of this is dependent upon working  
12 with the state resource agencies, I'm just curious  
13 what kind of synergies that you were seeing working  
14 with those resource agencies. Maybe Bob wants to  
15 talk about TDEC because they are such a big part of  
16 this.

17 Obviously, I'm interested in the other  
18 and what you're seeing with Alabama and potentially  
19 other states in terms of latching on to this effort  
20 and it being expanded beyond necessarily just the  
21 Valley.

22 MR. EVAN CREWS: Right. Well, we have  
23 always, at the local level especially, worked very  
24 closely with our peers in our state game and fish  
25 organizations across the Valley. We have a lot of

1 contractual agreements with TWRA or Kentucky Game &  
2 Fish and things of that nature where they are  
3 managing TVA fee land as a wildlife management area  
4 or whatever the case may be that aligns with their  
5 bigger management objectives.

6 Of course, historically speaking, TVA  
7 has provided land for the state park system, and we  
8 continue to work with TDEC on joint projects. There  
9 in years past we have done partnership projects, such  
10 as shoreline stabilization, where we both put in  
11 resources to an effort to stabilize shoreline that  
12 fronts a state park that is actually on TVA fee  
13 property. So we will continue those on-the-ground  
14 relationships.

15 I think the thing that we need to do  
16 to move us to the next level is to have more  
17 strategic discussions, and we're in the process of --  
18 and we have already begun this, but we're working  
19 closely with TWRA and the dewatering, for example,  
20 but that's really more of a project specific  
21 discussion.

22 What we plan to do in the future is  
23 set up more of a structured discussion to make sure  
24 that we're talking to our peers as frequently as we  
25 need to, not just in a reactive basis but in a

1 proactive way. So we're wanting to set up a  
2 structure that ensures that that happens.

3 Does that answer your question?

4 MR. TOM LITTLEPAGE: Uh-huh.

5 FACILITATOR WILSON TAYLOR: Well,  
6 other comments, questions? Thanks, Evan.

7 MR. EVAN CREWS: Thank you.

8 FACILITATOR WILSON TAYLOR: Jack  
9 Muncy, Land Condition Assessment.

10 MR. JACK MUNCY: Good afternoon. My  
11 name is Jack Muncy. I'm a staff specialist with TVA  
12 in the resource management area.

13 Can you hear me okay, Clay? I am not  
14 blowing you away or anything, am I? Good deal.

15 In our land condition assessments,  
16 Evan shared with you the structure of the zoning from  
17 1 through 7, and we're particularly talking about our  
18 Zone 3 and Zone 4 properties. Zone 3 is our  
19 sensitive resource areas and Zone 4 are the natural  
20 resource conservation. It's where the public really  
21 engages with TVA.

22 You're welcome to go through your  
23 notebooks. I am going to be trying to stay up with  
24 our slides, but what is the linkage for the Natural  
25 Resource Plan?



1 Well, first, we need to know the  
2 conditions of our property, just like you would like  
3 to know the condition of your house, your backyard,  
4 your driveway. So that's kind of where I am going to  
5 in the analogy.

6 Specifically, we're hoping within the  
7 next eight to ten years to assess these lands. It's  
8 a boots-on-the-ground effort. We're obtaining  
9 comprehensive information, and we're hoping to be  
10 able to conduct boundary maintenance on our property  
11 within an eight to ten year time frame. So the  
12 direct linkage is that it's understanding the  
13 resource needs.

14 We developed this process starting in  
15 fiscal year FY09 and fine tuned it in '10 and '11,  
16 and to date we have assessed on the ground about  
17 57,000 acres of these Zone 3 and Zone 4 properties.

18 Well, when you think about the size of  
19 the great Smoky Mountains National Park, that's one  
20 contiguous block of the land, and the Cherokee  
21 National Forest. Here we're talking about multiple  
22 parcels on multiple reservoirs in a lot of different  
23 backyards and developments. So it becomes a  
24 logistical challenge.

25 So we have looked at and formally

1 assessed 57,000 acres. We have got a very simple  
2 condition identifier, too. It's good, fair or poor.  
3 Everybody understands that.

4 We're hoping to eliminate the red,  
5 which is the poor. Right now it's about 11 percent,  
6 10 percent. Fair and good. So we hope over time  
7 that we will maintain our lands in a condition of  
8 good and fair.

9 So I am going to get into the  
10 particulars now of the land conditions. In essence,  
11 what we have done is we have holistically brought our  
12 resource management together. By that I mean we have  
13 other subprocesses that we have collectively pulled  
14 together and were unified and integrated looking at  
15 our resource to determine its overall condition.  
16 Everything from public safety to watershed  
17 protection, habitat enhancement work, our shorelines.

18 So TVA properties along the reservoirs  
19 are very complex, and it's also dynamic because it  
20 changes over time. This is a unique slide, but it's  
21 just simply to represent holistic resource  
22 management.

23 The comprehensive assessment on the  
24 top is talking about boots on the ground. Then we  
25 developed and recognized that we could not assess our

1 lands over night. With that said, we developed a  
2 rapid land condition assessment methodology, and it  
3 capitalizes on the institutional memory of resource  
4 professionals across the Valley about the conditions  
5 of these lands.

6 We conducted that in FY10 and '11.  
7 It's become the foundation of our -- what we call the  
8 resource needs categories. Then if you look at the  
9 center of the target, our objective is to maintain or  
10 improve our natural resources. We do that through  
11 partnerships, prioritization, and some other  
12 influencing factors. So that is a key word,  
13 holistic. We're trying to bring resource management  
14 together in the integrated process.

15 This is really a busy slide, the next  
16 one. It's just simply explaining that we took a look  
17 at our properties and wanted to go through a tiering  
18 methodology to identify our best resource management  
19 lands. So you see the seven zones across the top,  
20 and it just goes through a flow chart of whether it  
21 meets the criteria or not, what is the acreage size,  
22 how intensively is it being used, is it being used by  
23 the public?

24 So our objective here was to identify  
25 where we should be focusing our efforts, both on the

1 assessing and providing benefits for the public.

2 When we look at the reservoirs in  
3 TVA's multi-state system, you can see the reservoir  
4 on the left and a tier one acreage, which is our best  
5 NRM sensitive resource lands. We have approximately  
6 185,000 acres. Well, that allows us where to focus  
7 our efforts, but overall there's about 230,000 acres.  
8 So what that does is through an organizational  
9 structure approach allowed us to focus holistically.

10 Now, I mentioned the rapid, our  
11 comprehensive — we recognized it wasn't going to  
12 happen overnight and we — it capitalizes on  
13 institutional knowledge, just like you know about  
14 your driveway, your vehicle, the conditions, we sat  
15 people down in a room and determined the needs and  
16 the conditions of these reservoir properties in the  
17 four what we call need categories. That was a very  
18 successful effort, but it's now phasing into our  
19 comprehensive over time.

20 What is a comprehensive? That's what  
21 I am primarily going to be sharing with you. It's a  
22 way just like yourself you would focus on your  
23 personal property, but here we're looking at  
24 resources.

25 Professionally there's four resource

1 management categories, public safety and use,  
2 resource protection, soil and water, vegetation and  
3 wildlife. Underneath those four resource management  
4 categories are 13 specific conditions that are  
5 resource professionals assessed in the field,  
6 everything from invasive plants, sensitive resources,  
7 impacts, conditions of the shoreline, our boundary or  
8 access. So collectively we have brought the whole  
9 puzzle together, and these are the pieces of the  
10 puzzle of resource management.

11               So now what I would like to do is  
12 share with you some photographs just to try to bring  
13 us all in perspective about the particulars. We deal  
14 with abused and misused sites, chronic dump sites.  
15 It could be all terrain vehicles. All terrain  
16 vehicles have their place as long as they're used  
17 properly. They actually can create some impacts to  
18 sensitive plants and animals, as well as cultural  
19 resources.

20               Underneath the comprehensive we're  
21 hoping to develop what I call subprocesses. One  
22 would be like for forest roads. We have got a  
23 subprocess for public use trails.

24               At TVA we have got approximately in  
25 the neighborhood of 100 miles of forested roads

1 spread from Bristol to Kentucky to North Alabama.  
2 These roads are often abused. There's not proper  
3 best management practices. We may not have a gate  
4 out there for what we call a seasonal closure to  
5 protect the roadbed.

6 We work with a host of partners and  
7 cooperators like in agricultural settings in  
8 establishing proper best management practices, such  
9 as buffers and native warm season grasses that are  
10 good for animals and animal habitat.

11 TVA has got 11,000 miles of shoreline,  
12 and I am not sure of the actual total number of  
13 boundary. Boundary marking is a key integral  
14 component of resource management. You have got to  
15 know where your resources are and the public knows  
16 how to use them and where they're at. So remarking  
17 and re-establishing the boundary is a key need.

18 Dispersed recreational sites, there's  
19 thousands of these sites on TVA's reservoir lands.  
20 Some are used properly. Some are used improperly.  
21 It's a condition that we assess knowing where the  
22 public is using it and how they're impacting it.

23 Over the years there's been numerous  
24 parties established, like fish attractors for bank  
25 fishing sites. So the point being here is that we're

1 holistically bringing all of the needs into one  
2 perspective. We have public access sites that Evan  
3 shared with you, stream access like for canoes and  
4 other watercraft.

5 Then we also bring in, you know, kind  
6 of some unique features such as nuisance animal  
7 control. Vultures, you know, they can -- in this  
8 particular setting they damaged a pontoon boat. We  
9 get calls and receive calls about that. There's  
10 actually control efforts that can be put in place to  
11 help minimize those impacts.

12 Beaver impoundments, beaver  
13 impoundments can back water up on to private lands  
14 and cause resource impacts to valuable timber, for  
15 example.

16 Then we think of public health and  
17 safety, that's our No. 1 priority on addressing our  
18 needs. And with today's world of drugs it's -- I  
19 think the term they use is cooking, there's a lot  
20 of different hazardous materials being placed on our  
21 properties.

22 We have wetlands which are protected  
23 by Executive Order that are often impacted. We  
24 actually get involved in wetland restoration projects  
25 to restore these very valuable resources.

1           The good news is we have assessed all  
2 of our 11,000 miles of shoreline in the past previous  
3 years, 11,000 miles in seven states. The erosion  
4 control can be a key element of protecting both  
5 sensitive resources and the basic resource itself.

6           Signage and interpretive, that's a key  
7 linkage of communication to the user public. Clay, I  
8 think, will be sharing with you about an effort to  
9 modernize some of the signage and communication in  
10 the trail system.

11           So our process also looks at species  
12 protection, which we're mandated to carry out,  
13 everything from bald eagle monitoring to threatened  
14 and endangered species. It could be plant or animal.

15           As Evan also shared with you, we work  
16 day in and day out with volunteers trying to make  
17 improvements, as well as maintenance, on our  
18 property. These reservoir properties are also  
19 impacted by insects, disease, storms, and we try to  
20 respond accordingly working closely with state  
21 agencies on control methodologies or in damage  
22 settings, such as -- this is on Guntersville  
23 Reservoir in North Alabama from tornado damage.

24           Watershed protection, some of our  
25 adjacent landowners can have effects on public lands,



1 such as agricultural feed lots if they are not  
2 properly managed. We work closely with a host of  
3 partners on habitat improvements, such as early  
4 successional habitat.

5 Then our last category is what we call  
6 proactive measures. There's a host of measures out  
7 there, such as enforcement to minimize the impacts.  
8 Here a stolen vehicle was brought onto the property  
9 and striped and burned. These are common concerns  
10 that by working with the local law enforcement  
11 officials hopefully we can get ahead of that curve.

12 What's the bottom line?

13 Thousands and thousands of  
14 recreationists use TVA lands. They are welcomed.  
15 We're trying to address the needs out there on these  
16 properties and offer quality experience.

17 Bart's bar chart is kind of a  
18 milestone to me because what it shares is that we've  
19 not only developed a process to assess our lands, but  
20 we have actually been working on fixing the house.

21 By that I mean we — if you will look  
22 at the bottom you will see public health and safety,  
23 these are our four primary need categories, public  
24 health and safety, compliance, protection  
25 preservation, asset preservation, and other critical,

1 other critical is like enforcement.

2 If you will look at asset  
3 preservation, we have got over we will say 2,100  
4 tasks that we have identified out there in the field  
5 that need -- that has a true need. We have made very  
6 respectable progress in the last two years over  
7 addressing over 600 of those asset preservation  
8 needs.

9 We have pretty much addressed all of  
10 our public health and safety needs, and we're halfway  
11 on our compliance and making respectable progress on  
12 our critical also. So that to me shows the  
13 effectiveness of putting a process in place and then  
14 taking what I will call corrective action toward  
15 reaching your goals.

16 So with that said, I will try to  
17 entertain any questions you might have.

18 FACILITATOR WILSON TAYLOR: Deb.

19 CHAIR DEBORAH WOOLLEY: I have got two  
20 and a half questions.

21 MR. JACK MUNCY: Two and a half?

22 CHAIR DEBORAH WOOLLEY: Two and a  
23 half.

24 MR. JACK MUNCY: I will take the half  
25 first.

1 CHAIR DEBORAH WOOLLEY: The half is on  
2 14 where you have got the remark and re-establish  
3 where it's been clear cut, I understand what you're  
4 doing and re-establishing it, what about -- is there  
5 any action taken against the people who do that or is  
6 it --

7 MR. JACK SIMMONS: That photograph was  
8 not necessarily -- did not occur on TVA property.  
9 That's just sharing with you the developmental  
10 pressure and the value of having your boundary  
11 remarked prior to development so that we hopefully  
12 can proactively prevent unauthorized --

13 CHAIR DEBORAH WOOLLEY: But if you  
14 have someone that were to go in and clear cut the TVA  
15 strip, do you-all take action against them?

16 MR. JACK MUNCY: Yes. Bruce, you  
17 might want to take that one.

18 DFO BRUCE SCHOFIELD: Yeah. What  
19 we -- when we -- we have had several where we have  
20 entered into situations where we have gone in and in  
21 some cases gotten voluntary action. On others we  
22 have got into -- begin to take legal action to have  
23 them put together a vegetation plan to recover.

24 The problem we end up with in a  
25 number of cases is someone buys a \$200,000 lot. They

1 put a half million dollar home on it and decides I  
2 want a view of the lake and they clear it to the  
3 water and we put a 20, \$25,000 management plan back  
4 in that they have got to revegetate, they have still  
5 got their view and many people view it as just a cost  
6 of doing business.

7 We're trying to find a way to put more  
8 teeth into that to go do that because it is federal  
9 property. A lot of folks look at it that once the  
10 trees are done, it will take 30 years for them to  
11 grow back up and so they have got their views. It's  
12 difficult, but we have had some successes and we're  
13 going to get more.

14 MR. JACK MUNCY: Great.

15 CHAIR DEBORAH WOOLLEY: You showed the  
16 circle where you had land as good, poor, and fair.

17 MR. JACK MUNCY: The pie chart.

18 CHAIR DEBORAH WOOLLEY: What's the  
19 differentiation between good and fair? Is there an  
20 ultimate goal about how much — you said you wanted  
21 to get rid of all the poor land, but is there any  
22 ultimate goal on what is good and what is fair?

23 MR. JACK MUNCY: What we hope to reach  
24 is about a 75 to 80 percent on the good and fair  
25 collectively over time.

1 CHAIR DEBORAH WOOLLEY: What's  
2 acceptable though?

3 MR. JACK MUNCY: The desired --

4 CHAIR DEBORAH WOOLLEY: I'm trying to  
5 understand the difference in good and fair because  
6 while good sounds good to me, fair sounds marginal.

7 MR. JACK MUNCY: There's impacts  
8 occurring -- with the fair category there's impacts  
9 occurring. It could be that there's monitoring  
10 needed for impacts that we have taken proactive  
11 measures but we haven't pushed it into the good  
12 category yet because there's continuing action  
13 needed.

14 Overall there are impacts occurring to  
15 our fair lands, such as ATV abuse, but it's not  
16 pulling the overall ranking of the parcel down into  
17 the poor category.

18 CHAIR DEBORAH WOOLLEY: Okay.

19 MR. JACK MUNCY: Thank you.

20 FACILITATOR WILSON TAYLOR: Is that  
21 it, Deb?

22 CHAIR DEBORAH WOOLLEY: Uh-huh.

23 FACILITATOR WILSON TAYLOR: Tom.

24 MR. TOM LITTLEPAGE: Yeah. In terms  
25 of the assessment and to kind of follow along with

1 where Deb was with the good and the fair and poor, is  
2 that all eyes on?

3 In other words, are y'all using any  
4 remote technology, aerial or satellite imagery or  
5 anything, or is that just a TVA employee's eyes  
6 walking parcel-by-parcel?

7 MR. JACK MUNCY: That's boots on the  
8 ground. Aerial photogrammetry is used prior to it  
9 from a technical standpoint, but as far as the  
10 assessment methodology it's boots on the ground just  
11 like we would assess your house.

12 MR. TOM LITTLEPAGE: And the scope of  
13 the work that you've assessed is 57 or 58,000 acres  
14 and the 185 is the total amount to be assessed?

15 MR. JACK MUNCY: Of our tier one  
16 properties, yes.

17 MR. TOM LITTLEPAGE: Of your tier one.  
18 So you're roughly 25 to 30 percent into that process?

19 MR. JACK MUNCY: Early on we were  
20 developing methodology in the first year, and it's  
21 proved very valuable because what it's doing is it's  
22 sharing with us how -- where we need to focus our  
23 needs for overall improvement that she brought up.

24 MR. TOM LITTLEPAGE: So the aerial  
25 photogrammetry that you've referenced before, you

1 highlight like potentially poor areas and those get  
2 prioritized through that in terms of where you send  
3 the staff?

4 How does that -- how does the remote  
5 sensing factor into the process?

6 MR. JACK MUNCY: Just from background  
7 information and field verification of what's really  
8 going on out there from a technical standpoint, but  
9 it's valuable on the front end. As you well know, it  
10 would be like looking in your basement sometimes,  
11 you're plumbing or something that. So you want to  
12 hands-on --

13 MR. TOM LITTLEPAGE: It depends on how  
14 much you can see?

15 MR. JACK MUNCY: Yes. Thank you.

16 FACILITATOR WILSON TAYLOR: John.

17 MR. JOHN MATNEY: Thank you. Yes.  
18 John Matney. I live in Virginia. Actually, I think  
19 I raised the question earlier in the year. Has the  
20 TVA ever done an Environmental Impact Study on the  
21 shoreline on taking the water up and down?

22 I know on South Holston the water is  
23 taken down as much as 30 feet in the fall of the  
24 year. I know it's a conscientious effort on  
25 everyone's part to control the sedimentation going

1 into the lakes.

2 MR. JACK MUNCY: I can't speak  
3 directly on the EIS related to that. I know there was  
4 an Environmental Impact Statement done on the  
5 Shoreline Management Initiative, but as far as lake  
6 level fluctuations, I'm sorry, I wouldn't be able to  
7 answer that one.

8 FACILITATOR WILSON TAYLOR: Bruce.

9 DFO BRUCE SCHOFIELD: And just to  
10 follow along, when we did the River Operations Study  
11 several years ago there was a detailed EIS that  
12 covered the entire River Ops Study which had to do  
13 with fluctuations on the lake and how we controlled  
14 the tributary levels to go do that.

15 So, yes, there has been one done. We  
16 can get somebody to give you specifics if you have  
17 got specific questions, but that's our river ops  
18 folks and I can have somebody here tomorrow if you  
19 want it.

20 MR. JOHN MATNEY: So that would give  
21 us some idea of what type of, I guess, erosion that's  
22 actually taking place within the lakes on a recurring  
23 or on an annual basis?

24 DFO BRUCE SCHOFIELD: I can have  
25 somebody here tomorrow.



1 MR. JOHN MATNEY: Thank you. I also  
2 want to commend TVA and the management for the  
3 excellent job I think they do overall.

4 FACILITATOR WILSON TAYLOR: Jack.

5 MR. JACK SIMMONS: Just to follow with  
6 a comment to that. I know at TVA that was the second  
7 and third reservoir resource re-evaluation type thing  
8 that was done. You know, the obvious thing there is,  
9 yes, you have got issues sometimes with erosion. You  
10 have also got stream bank erosion downstream.

11 The trick on that whole deal is the  
12 balance between all of those competing objectives,  
13 which is to provide power, flood control, lake levels  
14 downstream for rafters and fishermen, the whole deal.  
15 From what I saw that this group had worked on, I  
16 think y'all did an outstanding job of trying to  
17 balance all of that stuff.

18 FACILITATOR WILSON TAYLOR: Thank you.  
19 Other questions or comments, Jack?

20 MR. JACK MUNCY: Thank you for your  
21 attention.

22 FACILITATOR WILSON TAYLOR: Thanks,  
23 Jack. Clay and Will, if you would.

24 MR. CLAY GUERRY: Hi. Good afternoon.  
25 I'm Clay Guerry and Will Jagels is in the back and he

1 will be running the demo section on part two of our  
2 presentation today.

3 Pretty much what I am going to talk to  
4 you guys about today are two things, dispersed  
5 recreation, to give you guys an update on dispersed  
6 recreation and trails.

7 As Jack shared with you, the land  
8 condition assessments has subprocesses. Right now  
9 there are about 13 of those that we have identified  
10 to date. Trails and dispersed recreation are two  
11 subprocesses that are, in fact, under the land  
12 condition assessment, and I will be going into a  
13 little further detail on those.

14 Just to give you guys a reminder, our  
15 measure of success for dispersed recreation and  
16 trails is all trails and formal areas are in overall  
17 good condition or we will close the area permanently  
18 until they can be brought up to TVA standards.

19 Last year or last fiscal year all  
20 trails on TVA managed lands have been assessed and  
21 also mapped, and we will get to the mapping -- to the  
22 mapping part here in just a minute in the second part  
23 of our presentation.

24 Out of all of our trails on -- out of  
25 all of our trials on TVA managed lands, 125 miles of

1 those are -- we consider open. They are actually  
2 usable to the public. On 12 miles of those we have  
3 had to temporarily close because of a variety of  
4 reasons that may have had -- there was one example on  
5 Guntersville where they had a really bad tornado come  
6 through the area. So it's going to take us a little  
7 while to actually clear out that storm damage so we  
8 can get that trail back open for public use.

9 This year we did perform maintenance  
10 on all high priority trails and really high use  
11 trails where we know they get a lot of use. Those  
12 are the ones we actually did prioritize first. Those  
13 are some examples, you know, your normal trail  
14 maintenance items.

15 Also, dispersed recreation, we were  
16 able to repair or actually -- actually put into  
17 effect mitigation measures on 68 of our dispersed  
18 recreation areas, which as Jack said, there are,  
19 there are many on TVA managed lands.

20 This is just an example of one of our  
21 trail maps, and we will be talking about that in a  
22 little further detail here in a minute.

23 Then this is an example of some of the  
24 public outreach that we're trying to -- trying to use  
25 out at some of our more heavily impacted dispersed

1 recreation areas, actually get the Leave No Trace  
2 information on signs and out there so when you're  
3 camping it's a constant reminder of -- of a -- of  
4 how, you know, you're supposed to be a good  
5 steward -- a good steward of public land.

6 One -- one highlight that I would like  
7 to mention last year our 22 mile trail, the East Lake  
8 Shore Line Trail on our Tellico Reservoir was  
9 actually recognized by the Department of Interior as  
10 a -- as a national recreation trail, and that brings  
11 up our total trail mileage of national recreation  
12 trails to -- I didn't put it down in my notes, but  
13 somewhere around the 40 mark which we're pretty proud  
14 of.

15 All of this information is on our --  
16 is on our website. I will ask Will to -- and what  
17 we're going to do -- and this is going to be kind of  
18 informal. We're just going to make -- you know, kind  
19 of go over by the website, which really touches three  
20 major NRP areas. It touches trails. It touches  
21 dispersed recreation. It also touches public  
22 engagement. So we're getting this information out  
23 for the public to use.

24 So really, you know, when we looked at  
25 this we're looking at what -- you know, how should we

1 — you know, how should we build — how should we  
2 build this website since it's all under one project.

3           You know, two of the main questions  
4 that the users have I'm sure is -- if you guys have  
5 traveled to any of our national parks or national  
6 forest lands, you know, your two first basic  
7 questions are, you know, where is the land or where  
8 are the trails and what can I do when I get there,  
9 you know, those are two pretty basic questions that  
10 if you're traveling to an area that you really want  
11 to know.

12           So we have really strived to first and  
13 foremost to do a really good job at answering those  
14 questions. Where are our trails? Where are our  
15 lands? What can they do when they get there?

16           We have also enhanced the site with  
17 some -- you know, with some other information like,  
18 how do I become a partner with TVA? How do I get  
19 involved in all of this good stuff?

20           Also, Leave No Trace, as you guys well  
21 know, we have been a formal partner with Leave No  
22 Trace since 2009 and we have formally adopted their  
23 principles to say that -- you know, we agree that  
24 these are really good -- these are really good  
25 practices that we want to promote on our public lands

1 for a more low impact and dispersed recreation  
2 perspective.

3 We also have information where folks  
4 can get -- you know, where folks can call the  
5 environmental information center. So this is, as you  
6 guys know, our warehouse. If they have any questions  
7 on trails, dispersed recreation areas, anything  
8 that's on this web site or anything that they have  
9 seen out there, that's how they get in touch with us.

10 There are links to Leave No Trace and  
11 our general rules and regulations for TVA lands. You  
12 know, you can camp in one area for 14 days and rules  
13 that govern hunting and the like.

14 There are state agency links, and  
15 that's primarily to be of use for those folks that  
16 are interested in hunting on TVA lands or fishing  
17 from TVA lands.

18 Our partners, if someone, you know,  
19 really wants to get involved, you know, and help  
20 maintain a trail or adopting a dispersed recreation  
21 site or, you know, some new ideas that maybe we  
22 haven't thought of, how can they get in touch with  
23 us? There's generally a quick and dirty overview of  
24 the -- of our general partners.

25 If we could go to the interactive map.

1 This interactive map specifically deals with what  
2 Jack was -- was talking about earlier, our dispersed  
3 recreation lands search. Our Zone 3 and our Zone 4,  
4 and we have also highlighted some of our dam  
5 reservations on here, too.

6 You know, where are these lands? You  
7 know, we have all of these 200 -- 220,000 acres,  
8 185,000 of tier one lands, but overall in tier one  
9 and tier two lands we have about 220,000 acres, give  
10 or take. Where are these lands? You know, folks  
11 want to know that. Folks want -- folks want to see  
12 that.

13 So what you see when you first go to  
14 -- well, when you first click on the interactive  
15 dispersed or formal recreation map is our disclaimer,  
16 and it just says that we have strived to -- you know,  
17 for all of our boundaries to be in the right place,  
18 but there may be some mistakes, which Kelly basically  
19 drafted.

20 It may take just a second. And we're  
21 not just trying to kill time here. This worked  
22 flawlessly before we came in here. This is a big  
23 problem with a show and tell, if the show doesn't  
24 work, the tell doesn't really make a whole bunch of  
25 difference, does it?

1                   Okay. We will jump ahead to our  
2 trails, and we will come back to this here in just a  
3 second.

4                   As we -- I talked about our trails and  
5 we have actually -- now, this is -- by the way, I  
6 don't think I mentioned this. This all live. We're  
7 just running off the [tva.gov](http://tva.gov) or the [tva.com](http://tva.com) web site  
8 right now. So this is all information that's  
9 actually out there and is available for our public  
10 use now. I mean, we're simply going on the outside  
11 website and just showing you guys what's available.

12                  Our trails, we have links to all the  
13 maps where we have available, which is down below.  
14 So we will go over an example. Say Norris, Hemlock  
15 Bluff, just something a little bit close to Knoxville  
16 here. We have our trail maps that folks can actually  
17 print out and actually take with them, and that's an  
18 on-the-ground field map so folks can navigate their  
19 way around the trail.

20                  We also have other maps and -- and in  
21 certain situations where we have a partner like  
22 SORBO, which you guys heard a little bit about, I  
23 believe, at the last -- at the last RRSC meeting,  
24 SORBO with the Raccoon Mountain, they have already  
25 went through the trouble to actually make a map of an



1 area. So we didn't really want to reinvent the  
2 wheel. We thought that was also a really good way to  
3 highlight our partners that are actually creating a  
4 cost savings for TVA. So we used their map.

5 It's actually delineated on the  
6 website if it's a TVA generated map, which the  
7 previous one was, or a partner map which is -- which  
8 this one is by SORBA.

9 There's some pretty neat featured  
10 driving directions. So if you see that, you know,  
11 you would like to go to Little Cedar Mountain on  
12 Nickajack and you know where you are at currently, it  
13 automatically takes you to the trailhead and then you  
14 simply input your address.

15 We can do a demo here for where we are  
16 right now. Say we wanted to -- you know, we wanted  
17 to go to Little Cedar Mountain from 400 West Summit  
18 Hill Drive, which is where we're at right now, bam,  
19 it takes you there, which you guys are probably all  
20 familiar with the -- you know, this is running off  
21 the -- off essentially the Google interface, which  
22 everyone is very familiar with.

23 We also have -- if someone wants to  
24 see if there's any trails in the area but they're  
25 real not sure, you know, where a reservoir is, we

1 also have all the trailheads on a Google map so folks  
2 can actually zoom in. If you're more map oriented  
3 than you are table oriented, then this shows you as  
4 well.

5 As you can see, if you hover over the  
6 trailhead it will tell you a little bit about the  
7 trail. You can also do driving directions and also  
8 the trail map from this page as well.

9 Will, if you will go back just real  
10 quick to trails and scroll down to the -- we also  
11 have uses -- scroll up just a little bit, Will.  
12 Sorry.

13 We have also highlighted appropriate  
14 uses, if it's -- the majority of our trails are just  
15 hiking, but we also have trails at Raccoon Mountain  
16 where it's hiking and mountain biking. We have some  
17 trails that, you know, we invite equestrian use.

18 We have some information about length  
19 and difficulties so folks kind of know what they are  
20 getting into on the front end so someone doesn't  
21 think they are going out for a leisurely stroll with  
22 their three-year-old and end up on a 12-mile death  
23 march. So, you know, folks can, you know, where they  
24 are going and really what to expect when they get  
25 there.

1                   Some general notes. On some of our  
2 trails we have -- we don't have a map currently  
3 available now because we have to make some  
4 decisions on the -- are we going to close some  
5 sections based on the maintenance needs that we  
6 talked about earlier. It also notes if the trail is  
7 a national recreation trail or some other significant  
8 designation of that specific trail.

9                   Do you think we can go back to the  
10 dispersed lands viewer, Will?

11                   I guess while we're waiting on that to  
12 load, we will go ahead and actually talk about when  
13 and if we actually get to show you this guys this,  
14 it's also available for download. So all of this  
15 information, all of these maps that we're getting  
16 ready to show you, you can download on your iPhone or  
17 your other SmartPhone or it's -- and it's real neat  
18 because you can actually download those maps through  
19 the -- you know, through the ESRI -- through the ESRI  
20 app.

21                   Actually if you're out on TVA lands  
22 you can hit your GPS, the little identify button, and  
23 it will actually show you where you are on that piece  
24 of TVA property which is -- you know, which is really  
25 handy, especially for hunters.

1                   We have really gotten some really good  
2 feedback about folks who have SmartPhones and, you  
3 know, they can tell where they are on that piece of  
4 ground and they are not -- they are not -- they are  
5 not restricted just, you know, to just having a paper  
6 map or in some cases no map at all.

7                   FACILITATOR WILSON TAYLOR: At this  
8 point, any questions or comments as we're waiting?

9                   MR. CLAY GUERRY: This was really the  
10 coolest part of the entire presentation. Of course,  
11 it's not -- yeah, we can take some questions maybe  
12 while we're waiting for that to load.

13                  FACILITATOR WILSON TAYLOR: Mark.

14                  MR. MARK IVERSON: I'm just curious,  
15 can people subscribe to email updates or any other  
16 kind of social networking where TVA can give trail  
17 updates?

18                  MR. CLAY GUERRY: You know, that's a  
19 really good point. Right now we do some of that  
20 through posting on the TVA Facebook page, but that's  
21 a really good point to -- and may be a really good  
22 future enhancement.

23                  You know, for folks that kind of want  
24 to be on the leading edge of what's going on with the  
25 TVA trails and dispersed rec, that's a really good

1 idea actually, but not as of now. It's absolutely a  
2 really good idea.

3 FACILITATOR WILSON TAYLOR: Thanks,  
4 Mark.

5 Deb.

6 CHAIR DEBORAH WOOLLEY: Is the TVA  
7 trail system pretty much complete? Are there other  
8 trails planned or we pretty much have got what we  
9 have and we are maintaining that and that's all?

10 MR. CLAY GUERRY: Well, for right now,  
11 but do -- you know, we do entertain requests that --  
12 you know, that come in. So actually our -- our  
13 partners are out there building trails right now.

14 Actually probably today as we speak,  
15 you know, the 22 mile East Lake Shore Trail, you  
16 know, when that is at full -- at full buildout in  
17 hopefully the next three years is really what we're  
18 hoping, we're going to have about 30 miles. That  
19 trail is actually going to be about 30 miles long.

20 Raccoon Mountain right now is about  
21 20 miles. There's a 7 mile extension to which 2.2 of  
22 that has already been built. So Raccoon Mountain for  
23 the planned buildout is going to -- you know, we're  
24 going to be getting another seven and a half miles  
25 for that.

1                   So as of right now TVA ourselves, you  
2 know, we're not looking to right now go out and  
3 actually build trails ourselves, but we will -- you  
4 know, we will facilitate that through -- you know,  
5 through, you know, our outstanding partners.

6                   For the trails we manage right now,  
7 like I said, we need to make sure we fix our own roof  
8 and fix the windows before we -- you know, before we  
9 build an addition. So for right now we're just  
10 trying to get what we have. You know, we have got  
11 enough on our plate with the 12 miles that are  
12 currently closed to use. We have got a lot -- you  
13 know, we've got a lot of work to do before we can  
14 think about us ourselves building any new trails.

15                  FACILITATOR WILSON TAYLOR: Well,  
16 other questions?

17                  Well, did you get it to work?

18                  MR. WILL JAGELS: This may be a good  
19 spot for a break and let me see if I can figure out  
20 what's going on.

21                  FACILITATOR WILSON TAYLOR: We had a  
22 question from John earlier, Chuck Bach is here.

23                  Will, do you have anything else on  
24 that or do you want to wait until -- is that your  
25 last item?

1 MR. CLAY GUERRY: Unless we have any  
2 more questions, anyone else have any questions.  
3 Hopefully we can actually take a look at this.

4 FACILITATOR WILSON TAYLOR: If you  
5 will hang around, we will try that later.

6 John, you had some question about  
7 the —

8 MR. JOHN MATNEY: I think I posed the  
9 question earlier, but do I need to restate them?

10 FACILITATOR WILSON TAYLOR: No. Chuck  
11 Bach is here. Chuck, if you could come to the  
12 microphone.

13 MR. CHUCK BACH: I see a few friendly  
14 faces here, I think. I am only joking, of course.

15 For those of you who don't know me, I  
16 am Chuck Bach. I'm the general manager of river  
17 scheduling. My staff is responsible for scheduling  
18 water down through the river system, as well as dam  
19 safety related to hydro bins. So we make the  
20 decisions every day on what to do, how much water to  
21 release, et cetera, et cetera. Several of you heard  
22 me talk on it in the past.

23 So this specific question that —

24 FACILITATOR WILSON TAYLOR: I'll let  
25 John sort of speak to the question.

1 MR. JOHN MATNEY: Yes. Well, you  
2 know, I recreate on the South Holston Lake and Boone  
3 Lake there in Virginia and Tennessee. The lakes are  
4 taken, you know, down as much as 30 feet, you know, a  
5 certain date every time, every year, and they start  
6 filling them in the spring.

7 My question is: Has there been an  
8 Environmental Impact Study with regard to, I guess,  
9 sedimentation runoff?

10 I know that TVA and all of us are very  
11 conscientious about sedimentation flowing into the  
12 streams and ultimately into the lakes because there's  
13 a lot of exposed area, you know, on the shoreline I  
14 know for South Holston, particularly South Holston.

15 MR. CHUCK BACH: Okay. Let me take a  
16 step back and just bring everybody up to speed. Back  
17 in the 2004 time frame we relooked at the operation  
18 of the river system, and at that time we put together  
19 a River Operations Study, ROS we call it, and in that  
20 operation we did an Environmental Impact Statement  
21 that looked at all of the pieces and parts of  
22 operating the river system.

23 We operate the river system for flood  
24 control primarily, navigation, those are requirements  
25 in the TVA Act, hydro generation, water quality,



1 water supply, and recreation. So those are the  
2 drivers of our system.

3 When we did the EIS we did look at  
4 erosion and what we could do to minimize erosion.  
5 And in our plans as we draw the river system down  
6 this time of the year, we try to minimize how much we  
7 draw it down.

8 We have, for example, maybe 2 foot  
9 where we can draw per week or per day or something  
10 like that, I am not exactly sure, I will have to go  
11 back and look. Maybe it's 2 foot per day -- a  
12 maximum of 2 foot per day and 7 foot per week so that  
13 we can minimize erosion.

14 Now, during the regular season with  
15 summer pools and things like that we try to hold the  
16 pools up to full pool level to minimize erosion.  
17 Obviously there's lots of boat traffic that causes  
18 erosion with brakes going on and things like that,  
19 but we do all we can to minimize erosion.

20 Now, specifically sedimentation, I'm  
21 not sure that we looked at sedimentation. I would  
22 have to go back and relook at the Environmental  
23 Impact Statement to look at sedimentation in  
24 particular, but I am not sure if it was looked at.  
25 Erosion was considered and all we could do to

1 minimize that.

2 Now, obviously flood control gets  
3 priority. We have lots of rain and we need to move  
4 that water out. At those times we do do some erosion  
5 because we have to move water real quickly, but we  
6 try to minimize that as best we can trying to take in  
7 all the facts and all the things that are going on on  
8 the river system at the time to make sure we minimize  
9 floods.

10 So I will have to go back and look at  
11 sedimentation to get you an answer, if that's okay,  
12 John.

13 MR. JOHN MATNEY: I guess it's just  
14 one of those things I want to raise an awareness,  
15 not — I mean, I'm sure the question has already been  
16 asked, but, you know, if there's an opportunity that  
17 if there's half as much an area exposed versus, you  
18 know, a maximum on the lakes I would think — of  
19 course, the sedimentation is not leaving the lake,  
20 it's just going to be there in that — contained in  
21 that lake area.

22 I know the folks in our part of the  
23 world would appreciate leaving the water levels up,  
24 y'all have probably heard that for many, many years,  
25 but I was just looking at it from the standpoint of

1 an awareness of the sediment control.

2 MR. CHUCK BACH: You may not be aware,  
3 John, but just -- if I could have a minute here, if  
4 that's okay.

5 We try to operate all of the lakes as  
6 a system and try to maximize the benefits for  
7 everybody as best we can. We get a lot of special  
8 requests, as you might expect, all across the river  
9 system, and we try to work those in as best we can.

10 In the end I have to look at operating  
11 as a system and what's best for the system, and  
12 sometimes it's not best for South Holston, for  
13 example, or sometimes it's not best for Nottely. So  
14 as a consequence we try to work through all of those  
15 best we can and try to, again, maximize the benefits  
16 for everybody.

17 FACILITATOR WILSON TAYLOR: Is there  
18 any other questions?

19 MR. BILL FORSYTH: I am not looking  
20 for a big, long dissertation, but in light of the  
21 Midwest drought and the low flows on the Mississippi,  
22 our tributary lakes held up pretty well this summer.  
23 Could you just kind of highlight how --

24 MR. CHUCK BACH: Sure. I would love  
25 to. Thank you.

1                   Yes, we did a -- this year, it was  
2   real dry. We had actually -- if you look at it  
3   across the year we had pretty close to normal  
4   rainfall. Being dry we didn't get normal runoff.

5                   So when it did rain we didn't see a  
6   lot of runoff into the river system. Probably 70  
7   percent of normal or roughly like that was getting  
8   into the river system. So what we did was try to  
9   hold on to all of that water as best we could and  
10  hold those river levels up.

11                  As a consequence, we were a little bit  
12  below normal on hydro production because we were  
13  holding that water back to -- for recreation  
14  purposes, water quality, water supply purposes this  
15  year. So we had a very good year.

16                  Currently we're working very closely  
17  with the Corps of Engineers on Kentucky Reservoir  
18  because it's very dry on the Mississippi and the Ohio  
19  River and they have asked us to hold a little extra  
20  water back in the Kentucky Reservoir.

21                  We're about a foot, a foot and a half  
22  above normal at this time of the year where we would  
23  like to be from a flood control standpoint, but  
24  anticipating it being very dry and they need some  
25  water to help run down through the Ohio and the

1 Mississippi. So we're trying to work them as best we  
2 can, but at the same time we meet with them almost  
3 daily and have conversations about what's in the  
4 forecast, what's coming, and how do we deal with that  
5 so that if we see something coming we can move water  
6 out and have a place to store all of that water. So  
7 that's a very high level.

8 We had a good year this year. Things  
9 were really great compared to some of the past years  
10 we have had when it was real dry. We're able to deal  
11 with all the issues on the river in terms of water  
12 quality and water supply.

13 We didn't have any derates at our  
14 nuclear plants this year. We ran a lot of cooling  
15 towers to cool the water off from a water quality  
16 standpoint. So that went well. So it was a good  
17 year overall.

18 FACILITATOR WILSON TAYLOR: Mark.

19 MR. MARK HOMMICH: Chuck, didn't the  
20 Tennessee Cumberland River System release some extra  
21 water to kind of mitigate the problem that they were  
22 having on the Mississippi River this year?

23 MR. CHUCK BACH: Yes, we did.

24 MR. MARK HOMMICH: How much was that?

25 MR. CHUCK BACH: Yes, we did. What

1 Mark is referring to is we held water back on Barkley  
2 and Kentucky, and then when the water got real low on  
3 the Mississippi, the Barkley and Kentucky Reservoirs  
4 were providing 40 percent of the flow down the  
5 Mississippi.

6 So we provided a great, great thing  
7 for the Mississippi River System, and that's how we  
8 should operate our system for looking at the bigger  
9 picture and things like that. So it really helped  
10 providing flow.

11 Now, it didn't stop. They still had  
12 navigation issues and all of that, but without the  
13 Barkley and the Kentucky River System providing that  
14 flow it would have really been bad down there.

15 Thanks for the question.

16 FACILITATOR WILSON TAYLOR: Anything  
17 else for Chuck?

18 Jack.

19 MR. JACK SIMMONS: Hey, Chuck.

20 MR. CHUCK BACH: Hey, Jack.

21 MR. JACK SIMMONS: You mentioned the  
22 nuclear deratings. Was this the first summer we had  
23 the new cooling tower at Browns Ferry or is this the  
24 second summer?

25 MR. CHUCK BACH: This was the first

1 summer it was operational.

2 MR. JACK SIMMONS: So that was pretty  
3 helpful?

4 MR. CHUCK BACH: Oh, it was  
5 tremendously helpful. We went back and did a  
6 calculation back in the year that it was really bad  
7 that we had to derate 50 percent, and according to  
8 our calculations it would have only been a 10 percent  
9 derating instead of a 50 percent derate. So that  
10 additional seventh cooling tower really made a  
11 difference. It's great for the system.

12 FACILITATOR WILSON TAYLOR: Other  
13 questions for Chuck?

14 MR. CHUCK BACH: Thank you.

15 FACILITATOR WILSON TAYLOR: Thanks,  
16 Chuck.

17 MR. CHUCK BACH: Anytime you want to  
18 talk about the river system, I'm your man.

19 FACILITATOR WILSON TAYLOR: So if we  
20 could, we have been going about 85 minutes here, and  
21 so let's go ahead and take a break. Let's be back at  
22 3:00. It will be about 18 minutes.

23 (Brief recess.)

24 FACILITATOR WILSON TAYLOR: It's 3:00.  
25 We will go ahead and get started back. So Erin and

1 Steve, if you could come up and we will have you guys  
2 ready to go here.

3 MS. ERIN PRITCHARD: I am Erin  
4 Pritchard. Can you guys hear me? Now I know why you  
5 guys keep asking.

6 I am the archeological specialist with  
7 natural resource planning and programs, and I am  
8 going to talk to you today about our progress that we  
9 have made with our cultural resource management  
10 programs with the NRP.

11 We identified three key measures of  
12 success for our cultural resource management programs  
13 over the next 20 years, and those include protecting  
14 30 to 40 percent of our critically eroding archeology  
15 sites along the rivers and the reservoirs, evaluating  
16 70 to 80 percent of our NAGPRA collection for  
17 cultural affiliation and NAGPRA collection, that's  
18 the Native American Graves Protection and  
19 Repatriation Act, and it's our Native American  
20 funerary objects and human remains that were  
21 excavated largely from back in the '30s and '40s when  
22 TVA built its original reservoirs, and conducting  
23 archeological identification surveys on 60 to 100,000  
24 acres of our managed lands.

25 Our accomplishments for this year



1 include that we were actually able to exceed our  
2 thousand acres metric for the NRP and get 1,700 acres  
3 of TVA managed properties surveyed for archeological  
4 sites.

5 We are also for next year going to be  
6 exploring some new technology in doing some  
7 non-invasive archeological identification on our  
8 property to save costs and explore new technology for  
9 our toolbox in the future.

10 We were able to survey all the  
11 buildings and structures on TVA lands, which was a  
12 part of our 20 year plan but we got a grant from the  
13 sustainability group to do all of that in one year.  
14 So that's a huge success.

15 I think we had over 4,000 buildings in  
16 our inventory. We were able to determine that only  
17 25 of those are eligible for the National Register.  
18 So that's a pretty significant event that occurred  
19 this year.

20 Under NAGPRA, we did six consultations  
21 to do cultural affiliation for Native American human  
22 remains. By six consultations, that means six  
23 archeological sites, and then several sets of human  
24 remains were returned back to the tribes.

25 We held our Tribal Consultation

1 Workshop in Chattanooga. We do this every five years  
2 with all of the 18 federally recognized tribes that  
3 we consult with in the Tennessee Valley, and we had a  
4 very good participation in that. It was a very  
5 successful meeting. So it's been a good year for  
6 that.

7                   Unfortunately, we also had some hard  
8 spots this year. We have been working on our  
9 development of our archeological monitoring and site  
10 protection program, which is one of our NRP programs  
11 which is new that we have not completely developed  
12 yet. We had identified five archeological sites that  
13 were considered significant and high priority for  
14 site protection through shoreline stabilization.

15                   We were actually fortunate enough to  
16 be offered some money to do this shoreline  
17 stabilization. You guys were talking about the  
18 barges or the Mississippi River drought, and  
19 unfortunately that impacted our ability to stabilize  
20 these sites because our companies that do our  
21 stabilization work, all of their barges were stuck on  
22 the Mississippi river. So we were unable to do that.

23                   We have also had a bad year for  
24 looting of some of our archeological sites. That's  
25 where individuals go into an archeological site and

1 excavate — illegally excavate an archeological  
2 resource and take the artifacts out of it, sometimes  
3 for commercial profits and sometimes for personal  
4 collections.

5           The photo here shows one of our most  
6 significant cave sites that's located in North  
7 Alabama that — I don't know, it's difficult to see,  
8 but there's a little hole right here. In 2009 we had  
9 actually spent a lot — quite a bit of money  
10 protecting this resource. It contained human  
11 remains. Over the winter it was unfortunately  
12 breached and some individuals came in and excavated  
13 quite a bit of archeological deposits. So that was a  
14 tough year.

15           I mention this because it leads into  
16 what our resource area focus is, which is the  
17 Archeological Resource Protection Act and Enforcement  
18 Program. To give you a background, TVA has recorded  
19 over 11,500 archeological sites on its managed lands  
20 to date.

21           Some of these resources are considered  
22 by the professional archeological community to be  
23 highly significant to the overall cultural history of  
24 the Southeastern United States. Here in this photo  
25 you can see a — this is Painted Bluff on Wheeler

1 Reservoir in North Alabama, and then over here we  
2 have Hiwassee Island which is located on the  
3 Chickamauga Reservoir at the mouth of the Hiwassee  
4 River, two of our many significant sites.

5 With this responsibility that we have,  
6 we have to protect these sites. We're faced with a  
7 number of different challenges that we have to deal  
8 with on a daily basis in order to make a good faith  
9 effort to protect them.

10 As with all federal agencies that I  
11 have worked with, we are faced with a very large  
12 coverage area and very limited resources. We have a  
13 lot of archeological sites and so we have to figure  
14 out what's the best way to spend our money, what's  
15 the best way to use our staff resources.

16 Our lands are primarily located along  
17 the waterways, which makes most of our sites easily  
18 accessible to the public leaving artifacts and all of  
19 these archeological features exposed, which also is  
20 impacted by our erosion problem where we have -- you  
21 guys are familiar with erosion, which exposes a lot  
22 of archeological features and then also pulls out a  
23 lot of archeological artifacts that are located along  
24 with banks.

25 So we have a problem with surface

1 collecting, people walking along the banks picking up  
2 artifacts, and then we have a problem with people  
3 walking along and finding these exposed features and  
4 excavating them. This is illegal pursuant to the  
5 Archeological Resources Protection Act, which is more  
6 commonly referred to as ARPA.

7           The effects of looting, just to give  
8 you a little reasoning for why we do this. The  
9 artifacts, once they are removed from the  
10 archeological context, are no longer valuable as far  
11 as their significance to archeological information.

12           People -- this is a point right here.  
13 This is actually a Clovis Point. It's very old.  
14 It's very, very valuable on the black market. Points  
15 can go for 10 to \$15,000. So they are very highly  
16 sought after by the looting community.

17           A point, while very beautiful, can  
18 tell you what type of material it's made out of and  
19 its high quality of workmanship is a very beautiful  
20 piece and it's piece of art, it's -- once it's  
21 removed from its surrounding relationship to other  
22 artifacts and other archeological features in an  
23 archeological site, it loses its information  
24 potential.

25           The key thing that archeologists do

1 and why we study archeological sites is to be able to  
2 reconstruct human behavior. So we can't go to an  
3 archeological site and reconstruct something based on  
4 just the artifacts. We have to look at the complete  
5 picture.

6 For example, this is -- to show you  
7 where this point -- I pressed the wrong button. From  
8 that context you can see its relationship to these --  
9 the pointer is not working, but you can sort of see  
10 the stains in the ground and its location in the bank  
11 and its relationship to the other artifacts is what  
12 gives us that archeological context which is what's  
13 so important.

14 To give you an example of the context,  
15 this is a highly simplified example, but this is an  
16 archeological excavation that's been mapped in after  
17 the excavation was complete. You can see the  
18 relationship of all of the features.

19 The archeologist was able to  
20 reconstruct that there was a rectangular structure  
21 located in this area. So that's part of the  
22 interpretation of what kind of houses that they  
23 built.

24 Now, if you go back in time and  
25 imagine if somebody had looted a portion of this site

1 and say they took these areas away, the archeologists  
2 would come in and they would excavate these features  
3 and they would map them in to look at the overall  
4 relationship and you can see how it totally skews the  
5 interpretation of this site.

6 In this example you can interpret or  
7 one could interpret that this site is actually built  
8 in the shape of a circle or a sphere. As I said,  
9 that's a simplified example, but it kind of gives you  
10 an idea of the loss of information that occurs from  
11 the looting.

12 One way that we have that we can stop  
13 this problem is our ARPA enforcement program, and now  
14 I'm going to introduce Steve Fisher who works with  
15 security and emergency management. They are our  
16 partner in this because we can't do this without the  
17 law enforcement officer. So Steve.

18 MR. STEVE FISHER: Thank you, Erin. I  
19 knew she was going to infringe upon my time a little  
20 bit. She said she was going to do that and she did,  
21 but that's okay.

22 Again, my name is Steve Fisher. I'm  
23 the senior management of the investigations program  
24 here with TVA with security and emergency management,  
25 and I have the honor of managing the ARPA

1 investigators that we utilize.

2 Mr. Schofield has asked that before I  
3 begin the presentation, I just want to preempt it  
4 with a couple of comments. We have a lot of active  
5 cases this year. We have had a very successful year  
6 is what I want to start out with.

7 A lot of the cases are in Federal  
8 Court. Some are the subject of Federal Grand Jury  
9 investigations. So there are secrecy provisions that  
10 go along with those cases that limit my ability to  
11 comment on them or give you any of the details that  
12 some folks are probably interested in. So I will  
13 just kind of precipitate my comments with that.

14 Again, a very successful year. Before  
15 I forget, we have had 11 prosecutions this year in  
16 the ARPA world. We do have an ongoing, as you can  
17 imagine by my comments, a rather significant case  
18 going on, and I will just kind of leave it at that,  
19 with many, many defendants that we describe as  
20 looters, people that are out to make a profit off of  
21 these archeological sites and these artifacts.

22 Another thing that I am not going to  
23 discuss, and I know it's not a great way to start a  
24 presentation, is I'd rather not get into, since we  
25 have members of the public, how many investigators we



1 utilize since they are in an undercover capacity, but  
2 just be aware that they are out and about and they  
3 are doing a good job.

4 What is ARPA? And I love saying ARPA  
5 because for some reason I have trouble spitting out  
6 the word archeological. It's so long for me that  
7 sometimes I get tongue twisted at it.

8 Nonetheless, it's a Federal Act from  
9 1979. It's U.S. Code, Title 16, I think Section 704,  
10 I'm not sure, but what I did is I printed off an  
11 excerpt. If you don't have a copy, it's a real short  
12 public act and it's real easily accessible.

13 To summarize it, it says, "The purpose  
14 of this Act is to secure for the present and future  
15 benefit of the American people the protection of  
16 archeological resources and sites which are on public  
17 lands and Indian lands." I mean, that's kind of a  
18 summary of it, and that's why we investigate it.

19 The program, as I said, is very  
20 successful. We're very proud of it. It's been in  
21 operation since 2006 at TVA. Like I said, I am proud  
22 of what the guys have done.

23 Okay. The enforcement program, we  
24 use, as I said, federally commissioned investigators.  
25 These are sworn law enforcement personnel, but they

1 do act in an undercover capacity. They are not out  
2 there in any kind of a uniform with a badge or any  
3 kind of a marked vehicle. They are blending into the  
4 communities as it were, into the culture, and that  
5 makes them easier -- makes it easier for them to kind  
6 of approach people to ask questions about what they  
7 are doing and kind of analyze the situation or an  
8 area and see who is coming in and out.

9 I will say based upon their successes,  
10 more and more people know who they are now. So in  
11 some areas when they do show up, whether they are in  
12 an undercover capacity or not, the looters, as we  
13 refer to them, know exactly who they are. So that's  
14 both a good and a bad thing. Again, they have been  
15 very successful.

16 We do have one archeologist assigned  
17 to the program, you just met her, Erin Pritchard, and  
18 she works very closely with the ARPA investigators  
19 conducting assessments of sites that have been  
20 looted, and that's a very important part of the  
21 prosecution and the fines that go along with that.

22 The enforcement program does monitor  
23 sites, the number you heard, 11,500. There are a lot  
24 of sites out there along the 11,000 miles of  
25 shoreline. I have been able to go out with some of

1 the investigators at times in their boats and froze  
2 my — it got very cold, I will say. I didn't plan  
3 that very well on a very warm day.

4 They go out and about. They have  
5 maps. They know where these sites are. They are  
6 familiar with them. They can conduct their own  
7 initial assessments very well. They are experienced  
8 and they know what they are doing. Of course, we  
9 prosecute suspects for violations under the ARPA.

10 With the regular monitoring of the  
11 ARPA sites, and I'm going rather quickly to keep us  
12 on time here, these guys develop a patrol plan. They  
13 know where the hot spots are and they develop a  
14 patrol plan. They work with cultural resources to  
15 say, hey, where do we need to be? Where is there a  
16 targeted enforcement area? Where are these sites  
17 most devastated? They know when to go out. After  
18 rains they know where to go. They stay on top of  
19 things in terms of what they have to do.

20 They work very closely — we all work  
21 very closely in security emergency management with  
22 our partners. You have heard of Alabama Game & Fish,  
23 Alabama Department of Conservation, their enforcement  
24 officers know who our ARPA investigators are too, and  
25 they maintain daily contact in that region for sure

1 and in other sites throughout the Valley.

2 So we are very proud of the network we  
3 have established and the reputation we have and the  
4 success we have, which is a 100 percent in our  
5 conviction rate.

6 The intelligence we develop is very  
7 important because, as I said, these looters have a  
8 network. They get the things that they want to get.  
9 They dive on sites. They collect Civil War artifacts  
10 in addition to Indian relics.

11 They put them on eBay. They put them  
12 on Craig's list. There's a network of means by which  
13 they can sell these things and profit from them, and  
14 it is very lucrative in a lot of ways. Anyway, we  
15 developed an intelligence network on who's doing this  
16 and we kind of target those folks. Again, we have  
17 been very successful.

18 Some of the past successes, and again,  
19 I am not going to go into a lot of these cases. Some  
20 of these go back to 2006, but you will see from some  
21 of these pictures and summaries, again, there's been  
22 successes.

23 I say this kind of in jest when I talk  
24 to the investigators, I say, hey, listen, yesterday's  
25 home runs don't win today's ballgames. Let's keep

1 this pressure on. Let's do our job. I say it in  
2 jest, but I mean it sincerely that we're not going to  
3 rely upon what we did in the past but to let's  
4 continue this aggressive, aggressive enforcement.

5 Some of the past successes you can see  
6 up here and the fines and the restitutions and the  
7 seizures. Again, a lot of these are going into the  
8 Federal Court System.

9 This is a rather significant case that  
10 was initiated, and it is currently being led by  
11 investigators. As you can see, it's a joint  
12 investigation with the National Park Services and, of  
13 course, the lovely Internal Revenue Service. When  
14 those folks show up on your doorstep, you know it's  
15 serious. Again, were proud to have those partners at  
16 our side.

17 This has been a major case. It's  
18 undergoing prosecution, and I won't get into too much  
19 detail. It mostly concerns Civil War artifacts as  
20 opposed to Indian artifacts.

21 Some of the highlights of the program,  
22 again, I apologize for moving along so quickly.  
23 There have been over 20 cases with 58 suspects  
24 prosecuted. In this past year we have had 11. We  
25 also have our first case -- let me back up a little

1 bit.

2 What we're doing, this is kind of the  
3 next slide, I'm jumping ahead really, but we use the  
4 Central Violations Bureau Docket in the Federal Court  
5 System. I don't know if any of you are familiar with  
6 that or not, but it's kind of set aside for petty or  
7 minor offenses. What we call misdemeanors, less than  
8 a year in jail, non-felony.

9 The beauty of this system is, and we  
10 have established this year, is our ARPA investigators  
11 are armed with a citation book. When they see an  
12 ARPA violator out there, they can issue a citation,  
13 hand it to this individual, and it commands them to  
14 appear in Federal Court on a set date. We know the  
15 date of the docket.

16 If they do not appear in there,  
17 there's a failure to appear charge that goes along  
18 with that, and then it's out of our hands. It's the  
19 U.S. Marshal's job to go and get them and bring them  
20 to Federal Court. So it gets rather serious if they  
21 don't show up in Federal Court. So this arms us with  
22 a very effective tool of enforcement. Believe me,  
23 those folks show up.

24 Their first fine generally under an  
25 ARPA conviction, as you can see, a 100 percent

1 conviction. It's generally somewhere in the vicinity  
2 of a \$500 fine.

3 It's that second one, if they get  
4 caught a second time, it's an automatic felony  
5 conviction. That's a felony record and up to five  
6 years imprisonment. So that's serious. When these  
7 folks get issued that citation, they are made aware  
8 of that and that puts them on notice.

9 Erin refers to these folks as being  
10 addicted, and that's what they are, they're addicted  
11 to these artifacts. They just can't get out of it.  
12 They have always done it, and they are going to  
13 continue to do it.

14 We have our first case coming up this  
15 year that's currently being prosecuted, in  
16 negotiation with prosecution, a second ARPA violation  
17 under these -- what we call the CVB docket, Central  
18 Violations Bureau Docket.

19 So as the years progress -- like I  
20 said, we've had 11 this year. As the years progress,  
21 if we see these people a second time they are going  
22 away for a felony conviction. It's very serious.  
23 So, again, we will see that happen.

24 So the looters know we're out there.  
25 Where do we go from here to kind of sum it up?

1 Technology is developing at a rapid  
2 pace, and that comes as a surprise to nobody. As  
3 your cell phone technology increases, so does  
4 surveillances technologies. We are taking advantage  
5 of those, let me just say that.

6 In terms of real-time monitoring of  
7 locations, it's hard to keep up sometimes because,  
8 you know, the new technology is sometimes expensive,  
9 but it also pays for itself. We are continuing to  
10 explore new resources to get the word out on what  
11 we're doing, not so much how we're doing it, but that  
12 we are out there.

13 We're doing in-school programs where  
14 we're getting in front of the news media. We're  
15 doing what we can to get the word out that this is  
16 serious and that folks have to go, you're on public  
17 lands, you're taking public property, and we're going  
18 to prosecute you.

19 We're not out to get the father and  
20 son who are waking along the shoreline and find a  
21 point or something like that. We're after the  
22 looters. We're after the serious folks that are out  
23 there doing this. And again, we have been very  
24 successful.

25 We're going to continue to develop



1 this intelligence database, work with our partners,  
2 and attend training, undercover training, and  
3 whatever training we can get for our investigators to  
4 make sure they are up to speed on what they're doing.

5 Again, a very successful program.  
6 We're not going to let up. I am very proud of it and  
7 proud to be a part of it. And with that, I will open  
8 it up to any questions you might have for either Erin  
9 or myself.

10 FACILITATOR WILSON TAYLOR: Tom.  
11 Avis.

12 MS. AVIS KENNEDY: Avis Kennedy, and I  
13 am retired from the U.S. Army Corps of Engineers.

14 I have a two-part question. One is,  
15 which U.S. Attorney's Offices do you work with? And  
16 the other is, what do you think are the keys to  
17 getting the U.S. Attorney's attention on your cases  
18 versus the gangs and the big drug rings and state  
19 government corruption and all the other things they  
20 are working on?

21 MR. STEVE FISHER: Great, great  
22 question. We are now engrained in every judicial  
23 district in the region, with the exception of the  
24 Middle District, in terms of the CVB docket. We're  
25 just a separate docket from the criminal cases and

1 the civil court cases that a Federal Judge will have.

2 It's generally a Magistrate Judge, and  
3 he will have separate court dates and dockets set up  
4 for the National Park Service and for the other  
5 federal agencies to bring in these. Again, I  
6 hesitate to even use the word petty offenses, they  
7 are not. They are misdemeanor offenses.

8 So we're just at the goal line with  
9 the Middle District of Tennessee because we have a  
10 case we want to advance with them and issue a  
11 citation.

12 So we have had a lot of success in the  
13 Northern District of Alabama. The Magistrate Judge  
14 down there is Harwell G. Davis, and he's a big  
15 supporter of not only the ARPA violations but he's a  
16 big fan of TVA. He's made the comment that he always  
17 like to see TVA officers in there in his past  
18 dealings with them and is very professional.

19 We make sure when these cases are  
20 presented, it's done professionally. There's  
21 prosecutorial reports. We have our stuff together.  
22 We don't go in there willy-nilly. We have all the  
23 evidence. Again, cultural resources helps with that,  
24 and we have had a lot of successes.

25 So getting -- we know the docket

1 schedules and we have no problems. We're getting on  
2 the dockets as we issue these. Like I said, we have  
3 had a lot of success.

4 The second part of your question, it  
5 is difficult because of this one federal case we have  
6 going on that I'm not at liberty to comment about.  
7 It has been postponed a number of times. The Grand  
8 Jury has been postponed a couple of times.

9 The reason for that is that it's so  
10 big and has so many moving parts that it does cover  
11 three jurisdictions. So there's a lot of  
12 coordination taking place to ensure that we wrap up  
13 as many of the defendants in this case as we can.

14 The way I understand it is a -- like I  
15 said, I've only been at TVA a little more than a  
16 year. I guess a couple of these cases have gone to  
17 trial in Federal Court, but the beauty of that is,  
18 and the U.S. Attorneys love it and the Judges love  
19 it, if you can get a Tribal representative on that  
20 stand to have him or her articulate what it means to  
21 prosecute these cases, it has a lot of appeal to  
22 everybody who hears it, to the media and to everybody  
23 else out there.

24 So, you know, we stress the conviction  
25 rate and the history and why this is important.

1 Again, it falls on cultural resources too to  
2 articulate that.

3 FACILITATOR WILSON TAYLOR: Tom.

4 MR. TOM LITTLEPAGE: Yeah. Steve, I  
5 appreciate you and Erin's presentation and certainly  
6 want to be sensitive to anything involving ongoing  
7 activities or cases.

8 A couple of just general questions.  
9 You said you had only been there a year. So I don't  
10 know if Erin may need to jump in here. But because  
11 of the increasing value of these assets on the  
12 market, do you see any increases, any trends that  
13 show a level of sophistication or more significant  
14 activity?

15 I'm assuming most of these are sort of  
16 hobbyists that are just involved or is this more  
17 broader than that?

18 MS. ERIN PRITCHARD: In a lot of cases  
19 they are beyond hobbyists. Some people actually make  
20 a career out of it. We have seen an increase in  
21 this. With the economy, people are struggling.  
22 There's a lot of people going out there and they are  
23 making money off of these artifacts.

24 There's also an increase in drug use.  
25 There's a link between meth use and looting

1 archeological sites because they are awake for four  
2 straight days. What better activity to do than walk  
3 along a shoreline and take stuff that you can  
4 actually make money for?

5 It's increased more not just because  
6 of the market value, but the market value is a part  
7 of it. The market value actually went down with the  
8 economy, but the looting didn't go down. So I think  
9 it's just more people out there trying to make a  
10 living off of it.

11 Does that answer your question?

12 MR. STEVE FISHER: One note on that.  
13 One of the funny things that comes along with this is  
14 we're finding folks that are accessing these  
15 artifacts and geo-tagging them. They are kind of  
16 making our case for us in a lot of ways because they  
17 want to document where this came from and the date it  
18 was gathered, sometimes with photographic evidence  
19 that accompanies it. So we're finding a lot of that  
20 because how do you know what this point is or  
21 actually where it came from. So that's one of the  
22 evolving trends in this industry.

23 MR. TOM LITTLEPAGE: The other  
24 question had to do with -- you know, you mentioned  
25 the IRS, I hadn't thought about that perspective.

1 But from the standpoint of the criminal prosecution,  
2 once it shows up on eBay can you -- in other words,  
3 once they have removed it, what are the challenges --  
4 if somebody -- if somebody -- you're monitoring eBay  
5 or Craig's List and you see a site or an artifact  
6 that you think you can attribute to TVA, can you  
7 really get them without physical evidence tying them  
8 to the removal?

9 MR. STEVE FISHER: We can subpoena  
10 eBay and they'll send us a record of that item or  
11 that item number. If they see something on there,  
12 they will certainly do a screen capture. Like I  
13 said, they are monitoring these places where they are  
14 selling them. They are also selling them from store  
15 fronts.

16 MR. TOM LITTLEPAGE: So you don't have  
17 to actually catch them in the act, you can after the  
18 fact?

19 MR. STEVE FISHER: Well, I mean, you  
20 know, that's certainly evidence in the case where,  
21 you know, we can subpoena eBay for -- you know, I am  
22 telling you kind of how we are doing our job, but we  
23 may have a known suspect and we can subpoena eBay for  
24 the records and for the name for this person and move  
25 forward. They are cooperative, eBay is cooperative.

1 We are in the Federal System.

2 Now, in the State of Alabama there are  
3 also corresponding state laws that cover it. Again,  
4 we're finding a lot of success to move cases forward  
5 very quickly in the federal system via the citation  
6 process. It's a real boom to the program.

7 MR. MIKE BALL: Of course, I think  
8 your undercover officer, a lot of times when they  
9 contact the guy and they're dickering with the price,  
10 a good undercover officer will get the guy to tell  
11 him where it came from.

12 MS. ERIN PRITCHARD: Just to point  
13 out, we do have to be able to ultimately prove it did  
14 come off of TVA lands to be able to prosecute them.  
15 As Steve was pointing out, they keep meticulous  
16 records a lot of times. So if you can get your foot  
17 in the door a lot of times you will be able to track  
18 it down just based on their records.

19 FACILITATOR WILSON TAYLOR: Debbie.  
20 Deborah.

21 CHAIR DEBORAH WOOLLEY: A couple of  
22 questions and it's because I'm very naive about ARPA  
23 and exactly how it works.

24 I know in the art world one of the  
25 ways they have reduced artwork being to stolen is by

1 shutting down the markets. So my question is  
2 two-fold.

3 One, is there any analysis in the  
4 federal system that's really monitoring the markets?  
5 I mean, I know you-all can look at eBay and you can  
6 watch that, but it's a bigger world than that.

7 Is -- and so the question is whether  
8 there was any federal effort to try to monitor and do  
9 that?

10 The second was, if I buy something is  
11 there any liability for the buyer?

12 MR. STEVE FISHER: If you knowingly do  
13 it, yes. It's receipt of stolen property. So, yes.  
14 We haven't gone after any buyers that I'm aware of  
15 it. This stuff does move rather quickly. In terms  
16 of federal analysis of markets, there is none that I  
17 am aware of.

18 CHAIR DEBORAH WOOLLEY: Because I know  
19 in the art world they said they have stopped -- the  
20 biggest deterrent they have had has been shutting off  
21 the marketplace.

22 MR. STEVE FISHER: Right. The same  
23 thing holds true with our copper theft. If you  
24 eliminate the scrap dealers, then you can eliminate  
25 the places they can move the material.



1                   No, there isn't any -- as Erin said,  
2                   it's kind of a black market. You will have your  
3                   own -- you will have your customers and you will go  
4                   directly to him or her.

5                   CHAIR DEBORAH WOOLLEY: But if it  
6                   becomes more sophisticated, if there's actually  
7                   organized efforts doing this, it's going to take that  
8                   kind of thing, isn't it?

9                   MS. ERIN PRITCHARD: It is more  
10                  sophisticated on an international level, and there  
11                  are a lot of efforts to that on an international  
12                  level. On a national level, there have not been.

13                  About purchasing stuff, something you  
14                  want to be aware of, you may not be able to be  
15                  prosecuted for it, but it may be taken away from you.  
16                  So, you know, if you spend a great deal of money on a  
17                  pot that costs \$20,000, if it does turn out that that  
18                  came off of TVA land and it's part of a case, we  
19                  could take that from you. So the buyer has to be  
20                  careful that it's legally obtained. It's something  
21                  to be careful on a buyer's end.

22                  MR. STEVE FISHER: And it's up to the  
23                  United States Attorney. If it does involve a case,  
24                  we could certainly get a prosecutorial opinion if  
25                  somebody is cooperative with us or not in recovering

1 material. If they are not, we can certainly proceed  
2 with prosecution if we -- he or she chose to.

3 FACILITATOR WILSON TAYLOR: Jack.

4 MR. JACK SIMMONS: It seems like we  
5 all have two questions. I have two as well.

6 You mentioned in your presentation  
7 that -- well, it's obvious that these guys that are  
8 doing this for a living, they know it's illegal and  
9 they are doing it at their risk. You mentioned a  
10 father and a son walking along shore and picking up a  
11 point, you know, they are probably not aware of that  
12 and they pick it up. What happens on something like  
13 that if they do that innocently?

14 MS. ERIN PRITCHARD: The best approach  
15 to that is through outreach. We have placed signage  
16 across the Valley at our land access points to make  
17 people aware when they come on our property, at these  
18 public access points, that it is illegal. It is  
19 illegal. I mean, we could technically charge them  
20 with theft of government property. I don't think we  
21 have any fathers and sons that have been charged with  
22 theft of government property.

23 The key is outreach. It's getting out  
24 in the community and talking to these folks. It  
25 has -- a lot of people like you said aren't aware.

1 And we have come across father and son groups of, you  
2 know, kids going out doing this and we try to talk to  
3 them about it. We will probably confiscate the  
4 artifacts.

5 MR. JACK SIMMONS: The second question  
6 is I fish a lot on Nickajack, especially around  
7 Moccasin Bend and Williams Island area, and I know  
8 that's probably one of your hot spots. In fact, I've  
9 seen your riprap project going on there that I think  
10 is probably related to that.

11 You know, I fish a lot by myself.  
12 It's kind of, you know, not a busy stretch of river  
13 there, except for barge traffic, but I see people  
14 sometimes in boats without fishing gear kind of  
15 pulled up on the shore walking around, especially  
16 after a rain. I am just wondering -- of course, I  
17 steer clear of that, but it's obvious there's  
18 something going on there because it's not really a  
19 recreation area.

20 Is there a hot line or something?  
21 Should we just stay out of that, is my question, or  
22 do you want to be informed of those things?

23 MR. STEVE FISHER: We definitely want  
24 to be involved. Like I said, we will respond. Our  
25 monitoring notification center in Chattanooga is --

1 both of our monitoring notification centers are 24/7  
2 operations. You know, we will take that information  
3 as soon as we get it and dispatch it to one of our  
4 investigators who oftentimes are -- you know, they  
5 may be an hour or two away, but they will respond,  
6 including the weekends, and they are very much aware.

7 MR. JACK SIMMONS: So if I dial like  
8 the TVA operator number in Chattanooga, would that  
9 work?

10 MR. STEVE FISHER: Actually, we're  
11 going to a new phone system here in the coming week.  
12 So if you say monitoring notification center or  
13 security or operator you can get to that system. You  
14 can say, hey, I'd like to make a report of suspicious  
15 activity, which is what we rely upon.

16 We can't do it ourselves. As you  
17 know, the Valley is so big that we rely upon the eyes  
18 and ears of partners in law enforcement and the  
19 public to say, hey, this ain't right. I know this  
20 ain't right. There is fishing gear. I see waders or  
21 they've got dive gear on, something is going on.

22 MR. JACK SIMMONS: Then the other  
23 thing I worry about is sometimes I cast way up on the  
24 bank accidentally and I get out and get my lure and I  
25 don't want to be caught for looting something.

1 MS. ERIN PRITCHARD: Just to point out  
2 like, like Moccasin Bend is actually the National  
3 Park Service. Anytime you see it on any public land  
4 we have a network between different federal agencies  
5 and we work together on these things. So it doesn't  
6 even have to be TVA lands. We will get you in  
7 contact with the right person.

8 FACILITATOR WILSON TAYLOR: Mark  
9 Iverson.

10 MR. MARK IVERSON: No.

11 FACILITATOR WILSON TAYLOR: Mitch.

12 MR. MITCH JONES: One of the things is  
13 maybe a Public Service Announcement that is -- I  
14 would think that the TVA stations in the major  
15 markets of the Valley system would give you 30  
16 seconds of air time because you scare the hell out of  
17 me.

18 I mean, deterrent is probably the  
19 best -- deterrent is probably the best way to get  
20 your point across. You're not going to get a  
21 four-day meth head user to stop what he's doing.  
22 However, if you have -- I'm sure there's a PSA that  
23 you could buy for 30 seconds at the 6:00 news and you  
24 stand up in front of the camera -- well, you've  
25 probably got a good video now, I mean, you'd scare

1 the hell out of people.

2 MR. STEVE FISHER: That's not what I  
3 am supposed to be doing.

4 MR. MITCH JONES: Well, you're doing a  
5 good job of it with me.

6 MS. ERIN PRITCHARD: That's his job.

7 MR. STEVE FISHER: We will take  
8 advantage of any opportunity we can get to get this  
9 message out.

10 CHAIR DEBORAH WOOLLEY: Mitch ate the  
11 pecan pie.

12 FACILITATOR WILSON TAYLOR: Deb.

13 CHAIR DEBORAH WOOLLEY: I said, Mitch  
14 ate the pecan pie.

15 FACILITATOR WILSON TAYLOR: Thanks,  
16 Deb.

17 Karl.

18 MR. KARL DUDLEY: Yeah. Just to  
19 continue on that point, we serve the Pickwick Lake  
20 area and parts of the Tennessee River and beyond  
21 that. Have you reached out to the utilities to see  
22 about, you know, is there something we could do?

23 We have a monthly magazine and we  
24 would be glad to put some articles in there that  
25 would help inform the public that, you know, don't do

1 this.

2 I know along Shiloh Park, that's part  
3 of our area too, there's a lot of that that goes on.  
4 Maybe we could work together on some of this. I  
5 think it's a good effort.

6 MS. ERIN PRITCHARD: Absolutely.

7 MR. STEVE FISHER: This network we're  
8 going after they know. I mean, most people are just  
9 saying in North Alabama they know.

10 MS. ERIN PRITCHARD: But every little  
11 bit helps.

12 MR. STEVE FISHER: It does.

13 MR. KARL DUDLEY: But I think what  
14 would help is what Jack said, it would — you know,  
15 those 10,000 fishermen that are on Pickwick Lake, you  
16 know, to see those folks along Shiloh and things and  
17 say, hey, those guys are not fishing, they are up to  
18 no good.

19 MR. STEVE FISHER: We're doing press  
20 releases, especially on these ARPA convictions, and  
21 those are getting attention and those are putting  
22 folks on notice. As we start having these second  
23 convictions and people see these felony convictions  
24 and they go away to jail, that would certainly put  
25 more people on notice. I mean, not to go with the

1 hard line side of it, but the educational aspect is,  
2 hey, this is serious. We take it seriously. We  
3 understand we are stewards of these resources, and  
4 we're going to do everything in our power to protect  
5 them.

6 MR. KARL DUDLEY: I know you can't  
7 divulge the numbers, but I know your numbers are very  
8 low. So you need all the help you can get is what  
9 I'm thinking.

10 FACILITATOR WILSON TAYLOR: Mike.

11 MR. MIKE BALL: Mike Ball, of course,  
12 I retired from state police. One of the things that  
13 I think the value of the PSA's would be not so  
14 much — it's not the innocent person like you said  
15 just stumbling around that finds something, it  
16 doesn't work that way. It's not — I doubt none of  
17 your cases have an innocent person.

18 The value of the PSA would be  
19 informing the public to report because — and I don't  
20 know how many you have, but the success of your  
21 operation depends on you generating leads.

22 MR. STEVE FISHER: It does. You're  
23 exactly right.

24 MR. MIKE BALL: Because you guys can't  
25 go around and randomly find them. You have to have



1 leads. So I think that's where the value of the  
2 Public Service Announcements would be.

3 MR. STEVE FISHER: It's an education  
4 process because, you know, some folks are not real  
5 happy with TVA in that region and, you know, they  
6 don't see the impact that they are having, and that's  
7 that education and that awareness process that we  
8 have got to move forward and have a partnership with  
9 these folks.

10 FACILITATOR WILSON TAYLOR: All right.  
11 Deb.

12 CHAIR DEBORAH WOOLLEY: I think -- I  
13 think to -- again, I think this dates back to what  
14 Karl was trying to talk about is the partnership  
15 deal. There's a lot of voices out there. I mean, I  
16 don't know about everybody else around this table,  
17 but a lot of this is pretty new to me. If it's new  
18 to this group that's been around here, then there's a  
19 whole public out there that doesn't know it.

20 So whether it's working with the  
21 utilities, whether it's when you meet with Boy Scout  
22 groups and you show them something out in the woods,  
23 how does this become a fundamental part of every  
24 group you meet with and talk to?

25 Then the other thing, you said that

1 when there's convictions or arrests or something that  
2 you do a lot of press releases, I would be looking to  
3 the tribes or to the confederacy groups or whatever  
4 groups are impacted to be a major messenger in that  
5 because they have got the passion and they have got  
6 the following and they can help make a difference.

7 I think the more you bring that in,  
8 the more maybe you're going to deter maybe the person  
9 that doesn't need to do it, but the more you're going  
10 to get the tips and awareness from the people you  
11 need to call in because I don't think it's going to  
12 stop otherwise.

13 FACILITATOR WILSON TAYLOR: Tom.

14 MR. TOM LITTLEPAGE: I was going  
15 piggyback on what Deb said. As much as we have been  
16 exposed to this, I have kind of learned a little bit.  
17 I would suggest -- you know, Karl's suggestion of  
18 publicizing this, but maybe focus as much on the  
19 thing you mentioned, Erin, relative to the importance  
20 of the artifact and the context issue of why it's  
21 important for these things not to be disturbed or to  
22 be assessed by professionals because of that  
23 information loss, you know.

24 You know, you can focus on it's  
25 illegal and it's wrong and it does this, but it's

1 also why is this important in terms of not disturbing  
2 these things, try to make a positive message.

3 MS. ERIN PRITCHARD: Yes. That's a  
4 big part of our outreach effort is that message.  
5 That actually is the main part of our message.

6 FACILITATOR WILSON TAYLOR: Jean.

7 MRS. JEAN ELMORE: Would it be totally  
8 cost prohibiting to have -- like in our more  
9 important ones, like this one that was breached that  
10 we had taken precautions to try to close it off, to  
11 have some type of security camera in just those  
12 areas?

13 I know we have too many areas to have  
14 it all the time, but would that be totally cost  
15 prohibitive?

16 MS. ERIN PRITCHARD: No and yes. It  
17 depends on the site. It depends on the site. We  
18 have tried this. It's not worked in some cases and  
19 it's worked in other cases. It depends on the site  
20 location.

21 That particular cave is very, very,  
22 very remote in the back of a slue and there's not  
23 really a great place to hide it. And that's one of  
24 the things that these individuals are -- and when I  
25 refer to these individuals, I refer to them that are

1 the -- they are the most hard core of all of them  
2 because they are covert, they hide it and they are  
3 looking for that type of equipment.

4 So it can be because it's not -- in  
5 some of these cases it's not just a great place to  
6 hide it, but in other cases it's worked really well  
7 and we have had successful cases. So we are looking  
8 into that and going to hopefully explore some more of  
9 that in the future.

10 FACILITATOR WILSON TAYLOR: Jack.

11 MR. JACK SIMMONS: Are you-all  
12 jurisdictional just on TVA property or all federal  
13 property or all national parks? The question I have  
14 is, on some of these reservoirs the TVA property line  
15 stops at a certain elevation and above that there may  
16 be artifacts, are those protected?

17 MS. ERIN PRITCHARD: Some of it is  
18 state land, and if it's on a state land, depending on  
19 the state, there's state laws. You can answer the  
20 question about the different public lands, but we  
21 have assisted other agencies and we have assisted the  
22 state with enforcing some of the state laws.

23 MR. STEVE FISHER: A couple of our  
24 investigators are very knowledgeable on the subject  
25 and they are very good on the stand based on their

1 experiences. They have been asked to come and assist  
2 on cases with other federal agencies, the National  
3 Park Service for one, outside the TVA jurisdiction.  
4 Since they are federally sworn officers, their  
5 expertise is admissible in court. So they have  
6 assisted in other matters.

7           You know, there should probably be an  
8 MOU in place a lot of times, but a lot of this is  
9 done rather informally because they are federally  
10 sworn officers and that's just extra paperwork. If  
11 the Courts will allow it, and they do, it's really  
12 not an issue. So, yeah, we do assist.

13           And again, we helped with -- Alabama  
14 is a good example. They know our guys know what they  
15 are doing. You know, if it's state's property they  
16 will assist. It's a partnership. So we just can't  
17 say, only you can help us and we can't help you. So,  
18 yes, we do that.

19           MR. JACK SIMMONS: What about the  
20 private property issue?

21           MS. ERIN PRITCHARD: That falls back  
22 to state law. Some resources on private property are  
23 protected by state law. Depending on the state, in  
24 most cases it's burials. I believe all of our states  
25 that we deal with that burials on private land is

1 still protected by state law.

2 There's some ways in which the state  
3 law kind of weaves into ARPA and that if somebody  
4 breaks the state law and takes an artifact from, say,  
5 a grave, sells it across state lines, it's  
6 trafficking, and that actually kicks in ARPA. We  
7 have assisted some state groups with that type of  
8 involvement with ARPA as well. So it just depends on  
9 the state and resource.

10 FACILITATOR WILSON TAYLOR: Other  
11 questions or comments?

12 MR. STEVE FISHER: Thanks, folks.

13 FACILITATOR WILSON TAYLOR: Thank,  
14 y'all. I guess to close us off, back to the point  
15 Mitch made, Jack, when you call the hot line, make  
16 sure you tell them you're getting your lure.

17 MR. JACK SIMMONS: It looks like an  
18 arrowhead.

19 FACILITATOR WILSON TAYLOR: So with  
20 that, what we will do is I want Bruce Schofield to go  
21 ahead and introduce the questions, and then we will  
22 have Karen Rylant come up and talk about the fees for  
23 26(a).

24 DFO BRUCE SCHOFIELD: That's a hard  
25 act to follow. So we're going to move into the

1 discussion questions which we're seeking advice from  
2 the Council on and then we will go through that  
3 process tomorrow.

4 It has to do with our 26(a) permitting  
5 fees. The three questions that we have proposed --  
6 well, I guess there's four.

7 Anyway, from your perspective as the  
8 Council what considerations should we employ in  
9 establishing those fees? And we will get into a  
10 little bit of that with Karen's presentation.

11 What consideration should be given  
12 with TVA to re-evaluating or the timing to  
13 re-evaluate how much we charge to go do permitting?

14 Then what tools or methods do you  
15 think would be most effective in communicating a  
16 Section 26(a) application fee increase or adjustment  
17 to the public in order to convey the necessity and  
18 the appropriateness of that change?

19 I guess the last one from the Sixth  
20 Term is, how might TVA and the Council improve upon  
21 the advisory engagement with TVA on its stewardship  
22 program? So kind of the -- as we finish up the Sixth  
23 Term, how can -- what advice would you give to the  
24 Seventh Term in how we should better engage to go do  
25 this?

1                   Now, those are the questions we would  
2     like you to keep kind of in the back of your mind  
3     while Karen invades the front of your mind with her  
4     presentation.

5                   MS. KAREN RYLANT: Good afternoon to  
6     everyone. Thank you, Mr. Schofield for that  
7     introduction. I would like to thank all the Council  
8     members for their interest in TVA's stewardship  
9     activities over the years and also all the input and  
10    advice you have provided to TVA on those many topics  
11    that you have come to discuss with us.

12                  I will be changing gears just a little  
13    bit and talking to you today and providing an  
14    overview about TVA's shoreline construction  
15    permitting program and, in particular, how TVA  
16    recovers the costs associated with both reviewing an  
17    application for a Section 26(a) permit and issuing  
18    that permit.

19                  TVA is proposing to increase the  
20    Section 26(a) permit application fees in January of  
21    2013. TVA has not increased the Section 26(a)  
22    application fees since January of 1998. That's over  
23    14 years ago. We are here today to seek the input  
24    and advice from the Council on this proposed  
25    increase.



1 And as Mr. Schofield mentioned, the  
2 three main areas, just cost recovery of the program  
3 in general, any attention you might or consideration  
4 you could give us for the periodic monitoring and the  
5 assessment of these costs and applications fees, and  
6 finally, suggestions for communicating them to the  
7 public, including their necessity and appropriateness  
8 for how we have to adjust these application fees.

9 We have evaluated our fees and  
10 determined that the current application fees for a  
11 Section 26(a) permit do not recover the costs of a  
12 typical review.

13 Specifically we have looked at three  
14 main categories of permits. It's minor construction  
15 activities, off reservoir permitting activities, and  
16 finally a transfer or change of ownership permits.

17 When TVA does not recover the costs  
18 associated with the review of a Section 26(a)  
19 application, the only other place we can recover  
20 these costs is from the rate base. We have two  
21 choices, either through our fees or from the  
22 ratepayers across the Valley.

23 So before we discuss cost recovery in  
24 detail, let's step back a little in case some of you  
25 are not familiar with TVA's permitting jurisdiction.

1 Section 26(a) of the TVA Act provides TVA broad  
2 permitting authority and jurisdiction over proposed  
3 construction that's either across, along, or in the  
4 Tennessee River or its tributaries.

5 TVA Section 26(a) authority covers  
6 over 11,000 miles of reservoir shoreline and  
7 thousands of miles of reservoir tributaries within  
8 the Tennessee River Watershed. TVA implements its  
9 Section 26(a) jurisdiction through its shoreline  
10 management policy. This was approved by the Board in  
11 April of 1999 and promulgated into Federal Regulation  
12 in September of 2003.

13 Now, Section 26(a) permits are  
14 considered a federal action, and what that means is  
15 that we are under the authority or the jurisdiction,  
16 I guess you could say, of the National Environmental  
17 Policy Act, which is commonly referred to as NEPA.

18 NEPA requires that federal agencies,  
19 such as TVA, to consider the environmental impacts of  
20 their actions before they make the decision. So in  
21 reviewing a Section 26(a) permit application TVA has  
22 to consider a wide range of federal regulations,  
23 including NEPA, but also as Erin just discussed, the  
24 Archeological Resource Protection Act. We look at  
25 the Endangered Species Act and also the National

1 Historic Preservation Act and also the Clean Water  
2 Act, just to name a few.

3           TVA reviews approximately 2,000 permit  
4 applications each year. That comes out to about 40  
5 permits that are issued every week. Our core  
6 permitting staff is comprised of 29 members in about  
7 eight regional offices across the Valley.

8           Now, additional staff members at TVA  
9 also contribute to the review of a permit  
10 application. These include many policy -- many  
11 specialists, including policy specialists such as  
12 myself, also resource specialists, you have heard  
13 from many of those today, Jack and Erin and Clay all  
14 have at times contributed to the review of a Section  
15 26(a) permit.

16           In addition to our specialists, also  
17 some key TVA programs and organizations also have the  
18 opportunity to review an application.

19           TVA's cost and staff time to review an  
20 application can include many times items, and I've  
21 listed several of these on this slide. It includes  
22 site investigations or field trips to the actual  
23 location to look at the existing facilities and  
24 assess the site location and the impacts that the  
25 proposed activity may have.

1           It includes record searches, both  
2     internal to TVA and our original offices, or we may  
3     have to contact realty to help us locate all of the  
4     deeds or abandonments that may have occurred on that  
5     property. Sometimes we even have to travel to local  
6     courthouses to see if we can find additional deeds  
7     and records related to that property.

8           Every application has to be reviewed  
9     to analyze its conformance to TVA's requirements and,  
10    in particular, the shoreline management policy that I  
11    have already mentioned. Each application undergoes a  
12    very thorough environmental and programmatic review.

13          The environmental review is where  
14    staff look at all the potential environmental impacts  
15    that that proposed construction could have. It's  
16    where we would specifically look at perhaps the  
17    impact on wetlands or threatened and endangered  
18    species, even flood plains and navigation would fall  
19    under the environmental review, and these are our  
20    requirements under the National Environmental Policy  
21    Act.

22          If you actually look through the  
23    procedures we have for the environmental review,  
24    there's over 50 questions that we look at and answer  
25    with every application to examine those impacts.

1           The programmatic review gives TVA's  
2 other organizations and programs the opportunity to  
3 look at the proposed construction and determine if  
4 that activity would have any impact on its own  
5 programmatic interest or really just TVA operations  
6 in general.

7           So, for example, we might have to  
8 coordinate an application with transmission, perhaps  
9 dam safety, or even nuclear if the activity is  
10 located within a certain radius or distance of a  
11 nuclear power plant.

12           Finally just a final preparation of a  
13 permit, it's not uncommon for a Section 26(a) permit  
14 to exceed even ten pages in length. It has plans and  
15 conditions and maps and vegetation management plans.  
16 So it's a very complete package and takes some time  
17 to prepare.

18           Even on the front end there's a lot of  
19 time that's required to gather all of the information  
20 that's needed from the applicant and also from within  
21 TVA. All of these costs and time also include the  
22 applicable overheads.

23           So you can probably see by this slide  
24 that it's not uncommon at all, in fact, it's very  
25 common that numerous people touch a permit

1 application and contribute to the review and  
2 consideration of that approval.

3 Since 1995 TVA has charged an  
4 application fee for Section 26(a) permit  
5 applications. TVA's authority to do so is grounded  
6 both in U.S. Code and TVA's own cost recovery  
7 regulations.

8 I will note right now that both of  
9 these regulations I am going to discuss are in your  
10 folders. They are behind the last slide. There's  
11 some supplemental information we provided if you want  
12 to review those later on today or tomorrow.

13 In 1952 Congress passed the  
14 Independent Offices Appropriations Act, and this  
15 established that services or things of value that an  
16 agency provides to an individual should be  
17 self-sustaining to the fullest extent possible. It  
18 also established that agencies may recover the costs  
19 of providing these services or things of value and  
20 also that agencies can establish their own  
21 regulations to determine the fees or establish a  
22 schedule of fees for these services and things of  
23 value.

24 Now, a Section 26(a) permit is  
25 considered a thing of value provided by our agency,

1 TVA.

2 In 1995 TVA amended their  
3 cost-recovery regulations and established that the  
4 responsible land manager, among other things, can  
5 assess a set fee or a set charge rather than  
6 determine the actual cost of each individual permit  
7 or application. This set charge or set fee is -- was  
8 to be approximately equal to the average cost of  
9 issuing the category of action or category of permit.

10 The rules also provide that TVA can  
11 require the applicant to reimburse actual costs for  
12 review of that application when they expect the costs  
13 to significantly exceed that standard fee or standard  
14 charge.

15 Finally, these rules also provide that  
16 TVA can recover the cost associated with  
17 environmental reviews they undertake in completion of  
18 their responsibilities under the National  
19 Environmental Policy Act.

20 So how does TVA then decide if an  
21 applicant should be charged a set fee, a set  
22 application fee, or if TVA should require that  
23 applicants reimburse them their actual costs  
24 associated with the project?

25 Well, we have really a couple of ways

1 of scheduling our fees. And immediately behind the  
2 slides that I am showing you today, there's a fact  
3 sheet that goes over TVA's application fees. You  
4 might want to pull out the front page or just look on  
5 the sidebar, there's a very concise listing of all of  
6 our fees. I will also have them up on the screen,  
7 but it might help to look at the slide.

8 So the first way we kind of split our  
9 fees is between on and off reservoir permit  
10 applications. On reservoir activities located,  
11 somewhat obviously, on TVA reservoirs and regulated  
12 streams, rivers and streams.

13 Regulated rivers, I don't want to  
14 insult anybody but in case you don't know, they are  
15 the rivers right below or immediately below the dam  
16 that are impacted by the operation of that dam.

17 Now, off reservoir permits or  
18 locations are those activities that are located on  
19 all the other rivers and streams. So they are  
20 upstream of a dam. They are those small creeks kind  
21 of back off of the main river. They are not impacted  
22 by the operation of the dam, but TVA has permitting  
23 authority and jurisdiction throughout the Tennessee  
24 River Watershed on those streams.

25 So we have two schedules of fees, one



1 for our actions on reservoir and one for our actions  
2 off.

3 On reservoir will start -- with our  
4 fees on reservoir we have two main categories, and we  
5 call them standard and non-standard permits. We will  
6 start with the standard permits first.

7 Whoops, I have a way of double  
8 checking.

9 Standard projects are predominantly  
10 minor construction projects. The most common ones  
11 are residential boat docks, piers, steps leading down  
12 to the water, even fences, some land base shelters  
13 such as small storage sheds or the picture of a  
14 gazebo there. A lot of people, even applicants,  
15 don't realize that many land based facilities require  
16 a Section 26(a) permit.

17 Now, when TVA amended their cost  
18 recovery regulations in 1995 the fee for a standard  
19 project, the application fee, was assessed at \$100.  
20 In 1998 TVA re-evaluated their costs and increased  
21 that application fee to \$200. That fee remains the  
22 same today. It's been that same application fee for  
23 14 years. It is intended to reflect the average cost  
24 of reviewing and issuing that permit.

25 Now, the second category of

1 application fees on reservoir is our non-standard  
2 projects. These are major construction projects,  
3 much larger than your typical residential boat dock,  
4 pier or landing. They typically can be commercial  
5 marinas, residential community facilities, industrial  
6 type barge terminals, moorings, just to name a few.

7 In 1995 when we published our cost  
8 recovery regulations, these -- the application fee  
9 for a non-standard major construction activity was  
10 \$500. When TVA increased the application fees in  
11 1998, this fee was increased to 1,000, although the  
12 fee for a public agency was retained at \$500.

13 Now, these projects are subject to  
14 what we commonly call within TVA full cost recovery.  
15 So these are the projects where TVA requires the  
16 applicant to reimburse to TVA the actual costs of the  
17 review of the application.

18 These are major activities that  
19 require far more programmatic and environmental  
20 review. In these cases we set up -- when we receive  
21 an application for a major activity, we set up a  
22 unique account at the beginning of that review and  
23 all of the costs associated with that review are  
24 charged to that account.

25 When the amount that's accrued in that

1 account exceeds the application fee, either 1,000 or  
2 500, TVA begins to bill the customer on a monthly  
3 basis. TVA does not issue the permit until all of  
4 those invoices are paid in full.

5 So before I proceed to the off  
6 reservoir category, I'll give you a quick summary of  
7 the on, which is minor and major construction  
8 activities.

9 We have the standard category, which  
10 is minor construction. It's assessed an application  
11 fee of \$200. It's a one-time fee.

12 The non-standard categories for major  
13 construction activities, they are assessed an initial  
14 application fee of 1,000 or \$500 for public agencies  
15 and subsequently billed when the costs exceed -- the  
16 costs that have been accrued exceeds that initial  
17 application fee.

18 So let's move on to the off reservoir  
19 permitting. Off reservoir projects are construction  
20 activities that are located on perennial rivers and  
21 streams in the Tennessee River Watershed that are not  
22 located on a TVA reservoir regulated stream.

23 TVA issues -- if we in a typical year  
24 issued 2,000 total permits, usually about 300 of  
25 those permits are off reservoir activities. The vast

1 majority of those 300 are bridges and culverts.  
2 Another big majority of the projects we do off  
3 reservoir are our stabilization projects, water  
4 quality type projects. We have cooperating with or  
5 where individuals are maybe cooperating with the NRC.

6 When TVA increased the fees in 1998  
7 from 100 to \$200, they actually kind of started this  
8 new category of permitting and retained a \$100 fee  
9 for off reservoir projects recognizing that these  
10 projects typically require significantly less review.

11 One way in which they require less  
12 review is our cooperation with the U.S. Army Corps of  
13 Engineers. The U.S. Army Corps of Engineers and TVA  
14 often have overlapping jurisdiction within the  
15 Tennessee River Watershed for permitting.

16 When that is the case, when both  
17 agencies will be issuing a permit, we adopt the  
18 Corps' environmental review. That is the  
19 environmental review completed under NEPA. So if we  
20 can adopt their review, that represents a significant  
21 savings to TVA. It increases the efficiency and  
22 reduces the cost of these permits and of issuing  
23 these permits.

24 However, if TVA is not able to adopt  
25 the review, maybe the Corps does not have a

1 permitting action, whereas TVA does, then we  
2 typically require full cost recovery for these  
3 permits.

4           So it's not necessarily a major  
5 construction activity, but because we know the review  
6 of the project is going to exceed the initial  
7 application fee, we require full cost recovery and  
8 reimbursement to TVA of the actual cost similar to  
9 how we do with major construction activities on  
10 reservoir. They get their own unique account and we  
11 accrue all of the charges.

12           Now, this would be the last category  
13 of permit that TVA is examining and considering an  
14 increase. I do not have a slide on this category.  
15 It's a pretty basic type of permit and I will just  
16 tell you about it briefly.

17           It's a transfer or change of ownership  
18 permit. So when property and the adjoining  
19 facilities that have been permitted by TVA changes  
20 hands, perhaps a lake home with a dock has been sold  
21 to a new owner, TVA requires that that new owner  
22 contact TVA and obtain a permit for the facilities in  
23 their name. This is called a transfer of ownership  
24 or a change of ownership.

25           Now, this category of permit does not

1 include any new construction. So TVA does, however,  
2 visit the site to ensure that the existing facilities  
3 are constructed as they have been approved and that  
4 no new construction or alterations to the shoreline  
5 have occurred.

6 So similar to off reservoir projects,  
7 these typically require very -- a lot less review.  
8 The costs associated are predominantly in the field  
9 visit and the inspection of the site. We can use the  
10 environmental review from the previous permit, along  
11 with the programmatic review.

12 Now, let's talk about assessing our  
13 costs and estimating application fees. TVA  
14 periodically assesses the average cost of issuing and  
15 reviewing a Section 26(a) permit application and  
16 compares those costs to the standard fees, the  
17 application fees.

18 TVA has reviewed the costs of issuing  
19 Section 26(a) permits and is proposing to adjust  
20 Section 26(a) application fees to reflect the actual  
21 costs of reviewing the permit application.

22 We have examined our FY12 expenditures  
23 and have determined that the average cost of issuing  
24 a standard 26(a) permitted for minor construction on  
25 reservoir is 500 -- approximately \$500. If you

1 recall, the current application fee is \$200.

2 We reviewed the same FY12 expenditures  
3 and determined that the average cost of issuing both  
4 the off reservoir permits and the change of ownership  
5 permits is approximately \$250. Again, the off  
6 reservoir currently are 100 and the change of  
7 ownerships are 200.

8 Now, this estimate includes  
9 predominantly the labor and staff time associated  
10 with the review of that project or application and  
11 the associated benefits. It also includes an average  
12 cost of the vehicle uses per permit.

13 The \$500 fee approximates to about ten  
14 hours of staff time, including benefits, and the 250  
15 fee, likewise, is about five hours of actual staff  
16 time to issue that permit.

17 So based on this analysis, TVA is  
18 proposing to increase Section 26(a) permitting fees  
19 as shown in this slide. The red values indicate  
20 where the application fee will increase.

21 We are proposing to increase the  
22 standard application fee from 200 to \$500 on  
23 reservoir.

24 We are proposing to increase the  
25 change of ownership and the off reservoir permitting

1 application fee to \$250, an increase from 200 and 100  
2 respectfully.

3 Now, note at this time that the  
4 non-standard fees TVA is not considering increasing  
5 at this time. Those applications, as I discussed,  
6 are subject to full cost recovery. So TVA is already  
7 getting reimbursed for all of the costs associated  
8 with that review of all of those major construction  
9 activities.

10 So TVA is not proposing to increase  
11 that fee. At this time we see no need to do so since  
12 we are already being reimbursed for all of those  
13 costs.

14 Now, we're confident and comfortable  
15 that our method of assessing these average  
16 application fees and average costs are really  
17 reasonable and fair and that we're comfortable that  
18 the 500 and the 250 value, dollar values, represent  
19 or approximate, as the rules provide, our average  
20 costs of issuing and reviewing our permits.

21 So to summarize, to ensure that  
22 permitting activities are self-sustaining to the  
23 fullest extent possible, TVA is proposing to increase  
24 the Section 26(a) permit application fees in January  
25 of 2013.



1           The new application fees will recover  
2     the average cost of issuing and reviewing that  
3     application from the person most -- most directly  
4     benefiting from the action; that is, the applicant  
5     rather than from the rate base or the ratepayers  
6     across the Tennessee Valley.

7           This increase is consistent with TVA's  
8     cost recovery regulations. It does not require an  
9     amendment to them.

10          Finally, the proposed effective date  
11     for these increases would be January of 2013.

12          Now, if TVA proceeds with these  
13     increases in application fees, approximately one  
14     month before the effective date we would issue a news  
15     release so the public is well aware of the proposed  
16     increase. There would be a notice placed on TVA's  
17     web site, and the notice would also be placed on the  
18     informational pages about the shoreline construction  
19     permits and also on, you know, the entry page to our  
20     on-line application system to ensure everyone has the  
21     opportunity to realize that the application fees  
22     would be increasing.

23          Applications, if we proceed with it,  
24     received on or after the effective date would be  
25     subject to the new fees.

1 Well, as Mr. Schofield mentioned,  
2 we're seeking the Council's advice and input on this  
3 proposal, specifically asking for your attention to  
4 these three questions. I will read them one more  
5 time.

6 From your perspective should TVA or  
7 what consideration should TVA give to establishing  
8 Section 26(a) permit application fees?

9 What consideration should TVA give to  
10 the timing of the periodic re-evaluations of Section  
11 26(a) permit application fees?

12 What tools or methods would be most  
13 effective in communicating a Section 26(a)  
14 application fee increase to the public in order to  
15 convey its necessity and appropriateness?

16 And I thank you for your attention,  
17 and I am willing to address any questions anyone on  
18 the Council may have.

19 FACILITATOR WILSON TAYLOR: Okay. And  
20 so what I would like to do, Deb, tell me how you want  
21 to do this, do you want to just get questions,  
22 clarifying questions or do you --

23 CHAIR DEBORAH WOOLLEY: Yeah, I think  
24 questions first. If anybody has questions on what  
25 she's presented to us so everybody understands it

1 well.

2 FACILITATOR WILSON TAYLOR: All right.  
3 Karl.

4 MR. KARL DUDLEY: Yes, Karen. Thank  
5 you for that information. I guess I have about nine  
6 or six questions here to help me understand.

7 MS. KAREN RYLANT: Let's go with six.

8 MR. KARL DUDLEY: It's amazing the job  
9 you do with that many permits and the various things  
10 that people consider to construct along, you know,  
11 the waterway.

12 Did I understand you to say there were  
13 approximately 2,000 applications? Of that number, I  
14 think you said that 300 were off reservoir, is that  
15 right?

16 MS. KAREN RYLANT: Yes.

17 MR. KARL DUDLEY: Could you tell me  
18 what the remainder of that 2,000 would be  
19 approximately? Do they fall under the minor  
20 construction?

21 MS. KAREN RYLANT: I would say we have  
22 issued about 300 major and about the same number of  
23 off. So I guess you could maybe estimate from there,  
24 you know, about -- and the transfers usually run  
25 close to 100.

1           The little secret about transfers is  
2   that very few applications really turn out to be a  
3   straight transfer because there's often been a  
4   modification to the facility or to the shoreline. So  
5   those are not considered transfers of ownership, they  
6   are considered new permit applications because we  
7   have to review the new construction.

8           MR. KARL DUDLEY: Okay. So the minor  
9   construction would be approximately 60 percent of the  
10   2,000, is that --

11           MS. KAREN RYLANT: This year I think  
12   we ran, let me think about the numbers, close to  
13   about 1,000. We were under our total permits this  
14   year. So about 1,000. Maybe in category ones and  
15   twos, 300, yeah. So I think you're about right, 50,  
16   60 percent minor.

17           MR. KARL DUDLEY: Okay. Did I  
18   understand you to say that there's 29 employees whose  
19   primary job function is permitting, is that right?

20           MS. KAREN RYLANT: Uh-huh, that's  
21   correct.

22           MR. KARL DUDLEY: But you feel  
23   comfortable when you said that the \$50 per hour  
24   covers the labor with benefits and vehicle costs  
25   to --

1 MS. KAREN RYLANT: Uh-huh.

2 MR. KARL DUDLEY: Okay.

3 MS. KAREN RYLANT: That's the average  
4 cost. Some might be higher. Some might be lower.

5 MR. KARL DUDLEY: Okay.

6 MS. KAREN RYLANT: If you remember,  
7 when I talked about major applications, I said when  
8 we get a major application in the door we set up an  
9 individual account for that application. So all of  
10 the costs are accrued for major in -- we can  
11 determine the actual costs for each individual major  
12 application.

13 For minor applications we have, oh,  
14 maybe several regional accounts we use. So let's say  
15 I'm a project lead and I do permitting for my primary  
16 job. Maybe I have 40 or 50 permit applications on my  
17 job today that I am working on.

18 Let's say 30 or so of those are  
19 standard minor construction. At the end of the week  
20 I have -- when I am charging my time out, I would  
21 charge all of my time where I worked on minor  
22 construction activities to one account, as would  
23 everyone else who is working on 26(a) permitting  
24 primarily.

25 So the way we assessed these averages

1 is we took those accounts where everyone has been  
2 charging their time for standard minor construction  
3 activities, and it is not difficult math, we summed  
4 those up, it's a big spreadsheet but it's not  
5 difficult, we summed up the totals and divide by the  
6 number of permits we have issued in that time period  
7 to come up with an average cost.

8 MR. KARL DUDLEY: So would it be fair  
9 to say that some of the non-standard work order --  
10 let me use the term work order so I can understand  
11 it.

12 MS. KAREN RYLANT: That's fine.

13 MR. KARL DUDLEY: The non-standard  
14 work orders could be a large amount of money, is that  
15 fair?

16 MS. KAREN RYLANT: And they are.

17 MR. KARL DUDLEY: And they are?

18 MS. KAREN RYLANT: Uh-huh.

19 MR. KARL DUDLEY: Okay.

20 MS. KAREN RYLANT: One of the -- I  
21 think the second or third page of that fee fact sheet  
22 shows some typical ranges of non-standard projects.  
23 They can run anywhere from 1,000 or as high as  
24 \$25,000 in charges depending on the type of  
25 environmental review. Typically, that's the major

1 cost that's required. We get into detailed studies  
2 and they can get quite costly.

3 MR. KARL DUDLEY: Thank you very much.  
4 I'm not questioning your numbers. I'm trying to  
5 understand it because I'm somewhat biased. I am  
6 representing the ratepayers who are picking up these  
7 fees I feel like, and I feel like they are not  
8 enough. So let me go ahead and state that.

9 FACILITATOR WILSON TAYLOR: Write that  
10 down, Bruce.

11 MR. MITCH JONES: No, no, don't write  
12 that down.

13 FACILITATOR WILSON TAYLOR: Okay. We  
14 will get to you in a minute, Mitch.

15 Okay. Tom.

16 MR. TOM LITTLEPAGE: Yeah. I am kind  
17 of like Karl, I have several questions. Some of it  
18 will, I think, bleed into tomorrow. A couple of  
19 things.

20 Is there a standard duration? What's  
21 the length of these relative to these costs?

22 MS. KAREN RYLANT: The duration of the  
23 permit or how long it takes to issue it?

24 MR. TOM LITTLEPAGE: No. The duration  
25 of permit.

1 MS. KAREN RYLANT: The permit does not  
2 expire, is that what you're asking about, the  
3 expiration?

4 MR. TOM LITTLEPAGE: Yes. So it's a  
5 permanent permit?

6 MS. KAREN RYLANT: Provided you  
7 initiate construction within 18 months of the time  
8 TVA issued you that permit, it does not expire.

9 MR. TOM LITTLEPAGE: Okay. So  
10 essentially under the context of this, it's a  
11 one-time cost?

12 MS. KAREN RYLANT: Uh-huh.

13 MR. TOM LITTLEPAGE: And then the  
14 other question is that for those fees relative to the  
15 Corps, is there any mechanism that the Corps would be  
16 allowed to do any sort of cost recovery?

17 Are they precluded under law or can  
18 they initiate a process to do something like this?

19 MS. KAREN RYLANT: I really will not  
20 speak for the Corps' processes. I want them to speak  
21 to those. Their permitting program is -- receives  
22 funding, appropriated funding. My understanding is  
23 they do not recover those costs, but I would want to  
24 check with the Corps about their permitting.

25 MR. TOM LITTLEPAGE: But currently



1 none of this recovery includes any kind of Corps'  
2 time or effort associated with any of that?

3 MS. KAREN RYLANT: No, sir.

4 MR. TOM LITTLEPAGE: And then lastly  
5 for this round of questioning, water quantity permits  
6 26(a), withdrawal permits, are they treated  
7 differently in this in terms of a 26(a)?

8 You know, there's a mechanism where  
9 water -- you're paying for water if you're serving  
10 outside the power service area, there's some unique  
11 aspect to that, but for the most part are these  
12 permits treated --

13 MS. KAREN RYLANT: Those fees are  
14 separate from the actual permit fee for -- you will  
15 hear -- when you talk about 26(a) permitting, you  
16 will hear a lot of talk about obstructions, we issue  
17 a permit for the obstruction --

18 MR. TOM LITTLEPAGE: Section 10.

19 MS. KAREN RYLANT: -- in waterways.  
20 So we're issuing a permit for the intake structure  
21 itself.

22 TVA also reviews from a water supply  
23 and if it's an interbasin transfer, that aspect, but  
24 that's separate from the permit for the obstruction  
25 itself.

1 MR. TOM LITTLEPAGE: So is the intake  
2 structure considered standard? How is that  
3 considered under your categorization?

4 MS. KAREN RYLANT: It's considered  
5 standard.

6 MR. TOM LITTLEPAGE: Okay. Thank you.

7 FACILITATOR WILSON TAYLOR: All right.  
8 Jack.

9 MR. JACK SIMMONS: I, like Karl, you  
10 know, am concerned about the impacts on the  
11 ratepayers. I think there's probably — you know, I  
12 have only been on this meeting for less than a year  
13 now. So I don't know what kind of context the rest  
14 of the members have.

15 You know, up until the mid '90s TVA  
16 got the somewhere between — it varied, you know, 75  
17 to \$150 million of appropriations from Congress to  
18 handle the non-power related things. So all of a  
19 sudden we don't have that anymore and all of that  
20 cost has been borne by the ratepayer now for all of  
21 the work that's non-power related, which I'm assuming  
22 this would have fallen in this category before.

23 MS. KAREN RYLANT: At one time,  
24 correct.

25 MR. JACK SIMMONS: So, you know, we've

1 already taken a big hit on that and, you know, we're  
2 not recovering near the \$100 million. So raising  
3 these things \$200 doesn't give me much heartburn  
4 frankly from a ratepayers perspective.

5 From friends that have docks on the  
6 lake, you know, I feel sorry for them, but at the  
7 same time should the ratepayers subsidize every lake  
8 owner's, you know, building project?

9 I go back to a previous life when I  
10 was at TVA, I remember we used to charge — I'm just  
11 curious if you do now, every time there was a bridge  
12 pier or an embankment we actually calculated the loss  
13 or the incremental or miniscule loss of flood storage  
14 space and charged the state or whoever built that  
15 bridge for even that.

16 So, you know, I think TVA has a  
17 history of charging for things. I was fortunate or  
18 unfortunate enough when the Ocoee 2 rafting schedule  
19 was put in place to calculate the value of those  
20 releases and the state paid TVA for that. I think it  
21 later got traded for some maintenance on the bridge  
22 at Great Falls over at Rock Island State Park.

23 Is TVA still in the business of  
24 charging for those things?

25 MS. KAREN RYLANT: We still do assess

1 those same fees. That would be part of the review.  
2 It would be separate. It's not -- we're really just  
3 talking about the application fee today, but those  
4 types of fees TVA still does assess, yes.

5 MR. JACK SIMMONS: And somebody  
6 mentioned the Corps earlier, on the Cumberland is  
7 there a 404 permit equivalent to or in addition to or  
8 similar to your 26(a) permit or are they both for  
9 navigation impacts or does the 26(a) go beyond that  
10 or beyond navigation impacts?

11 MS. KAREN RYLANT: A couple of items,  
12 and I really don't want to speak for the Corps, but  
13 my understanding is the Section 10 of rivers more  
14 relates to the 26(a) permit. They are looking at  
15 navigation and waters and navigable waters of the  
16 U.S.

17 A Section 404 permit has to do with  
18 structures in waters, including discharges and  
19 wetlands.

20 Now, you had another question.

21 MR. JACK SIMMONS: I guess just --

22 MS. KAREN RYLANT: I know what I was  
23 going to say. We look at more than just navigation.  
24 We look at navigation, flood control, public lands.  
25 So we look at a little bit broader than just

1 navigation.

2 MR. JACK SIMMONS: I guess my final  
3 comment is, given that history and given  
4 responsibility that we have to make sure that people  
5 are paying their fair share and it's not ended up  
6 being socialized across the rates unnecessarily, I  
7 just think that TVA has a fundamental funding issue,  
8 through no fault of anybody here, of losing those  
9 appropriations for the non-power stuff and it's put  
10 us all in a predicament in terms of higher power  
11 costs.

12 Frankly, that inhibits industrial  
13 development, the economic development, all kinds of  
14 things. I know we can't solve that here, but I just  
15 feel like I have to go on record and say that we need  
16 to be minimizing the costs to the ratepayer to the  
17 things that are not related to the things that they  
18 are paying for on the power bill.

19 MS. KAREN RYLANT: That's the very  
20 type of input and advice that we're asking from the  
21 Council. I would like to go back and just kind of  
22 amend one answer.

23 FACILITATOR WILSON TAYLOR: Just a  
24 minute. What I would like to do for the sake of the  
25 day, we're going to talk about the questions and get

1 that advice tomorrow. So what I would like to do now  
2 is get further clarifying questions about the fee  
3 increase.

4 So Mitch.

5 MR. MITCH JONES: Thank you, Wilson.  
6 Again, I just did some quick math, and there are  
7 2,000 applications. One question that I have, have  
8 you ever denied an application in 2011 or '12?

9 MS. KAREN RYLANT: Absolutely.

10 MR. MITCH JONES: How many?

11 MS. KAREN RYLANT: I would say I see  
12 approximately 25 a year.

13 MR. MITCH JONES: 1 percent?

14 MS. KAREN RYLANT: 1 percent.

15 MR. MITCH JONES: 1 percent.

16 MS. KAREN RYLANT: Now, keep in mind  
17 that if someone approaches us with something that we  
18 know we can't approve, we're going to advise the  
19 applicant of our regulations. Certainly, we will  
20 take any application anyone wants us to review, but a  
21 lot of times in our -- you know, our regional offices  
22 do a really wonderful job of conveying our  
23 requirements.

24 So people may ask for a lot of things  
25 and then learn that it's something that TVA cannot

1 consider and they don't apply.

2 MR. MITCH JONES: Thank you, Karen.  
3 This comes out to -- if you've got 29 employees to  
4 \$34,432 per employee. You have 2,000 applications,  
5 an average about 500 if I take the rate structure  
6 that you proposed, that's a million bucks divided by  
7 29 staff, that's 34,432 as just a point I want to be  
8 on the record for tomorrow.

9 MS. KAREN RYLANT: Okay.

10 MR. MITCH JONES: Then finally, can  
11 you flow chart for us tomorrow morning an  
12 application?

13 MS. KAREN RYLANT: Sure, I can do  
14 that.

15 MR. MITCH JONES: Walk us through --

16 MS. KAREN RYLANT: The process of how  
17 we review one?

18 MR. MITCH JONES: I'm a residential  
19 owner or commercial owner, either one, just walk me  
20 through how that -- how I get to a yes or a no.

21 MS. KAREN RYLANT: Okay. I will be  
22 happy to.

23 FACILITATOR WILSON TAYLOR: Thanks,  
24 Mitch.

25 Deb.

1 CHAIR DEBORAH WOOLLEY: A couple of  
2 questions. The non-standard, are they -- do they pay  
3 the full amount before the permit is issued or is  
4 that money that comes in later?

5 MS. KAREN RYLANT: We will not issue  
6 the permit until all of their invoices are paid in  
7 full.

8 CHAIR DEBORAH WOOLLEY: Okay. In  
9 talking about the permit, and I think this gets back  
10 to -- I think what Tom was asking about with it being  
11 a lifetime permit, it sounds to me like what we're  
12 doing is -- and help me understand this, is that  
13 we're issuing a construction permit that gives you a  
14 lifetime use. And I know in dealing with permits,  
15 whether it's been in Bob's group or somewhere else,  
16 there's not much lifetime use of something without  
17 some kind of renewal.

18 Have y'all even looked at that?

19 MS. KAREN RYLANT: We have considered  
20 an annual fee occasionally. To my knowledge, TVA has  
21 never had an annual permitting fee.

22 CHAIR DEBORAH WOOLLEY: Not annual  
23 necessarily, I mean, just --

24 MS. KAREN RYLANT: Any periodic  
25 assessment. Keep in mind, we do not have citation



1 authority. So there's some concern about our ability  
2 to enforce that, about how much cooperation we would  
3 receive, and then just the staff it would take to  
4 literally issue those bills each year. It might  
5 actually increase our fees. We still prefer or  
6 consider it more efficient to obtain the costs on the  
7 front-end of the review.

8 CHAIR DEBORAH WOOLLEY: Another  
9 question on your cost recovery. It looks like what  
10 you're doing is cost recovery almost for an  
11 hourly-type rate as opposed to a program cost  
12 recovery which would take the other things that are  
13 part of that program but not necessarily involved  
14 directly to -- and this is getting a little bit, I  
15 think, to who should pay for it versus what -- I know  
16 in some cases in other agencies, other places,  
17 permitting is actually because that's a user of  
18 something, it's used to fund other programs, whether  
19 that's ever been looked at.

20 Is there any kind of market comparison  
21 on what your rates for construction, because that's  
22 what it is, permit compared to something else?

23 MS. KAREN RYLANT: Okay.

24 CHAIR DEBORAH WOOLLEY: I'm just  
25 trying to understand how you've got to the point of

1 just raising it this amount.

2 MS. KAREN RYLANT: I heard a couple of  
3 questions in there. So I will try to address them  
4 each individually.

5 You asked about actually charging  
6 program costs in the permitting fee. There was one  
7 other.

8 CHAIR DEBORAH WOOLLEY: Or auxiliary  
9 people.

10 MS. KAREN RYLANT: I want to make sure  
11 you understand, all staff who review or spend any  
12 time reviewing that fee, excuse me, that application  
13 charge to those standard accounts. So we are -- you  
14 know, if they are doing their job and charging to  
15 those accounts, we have a record of the hours it  
16 takes to literally review.

17 My understanding, and some others  
18 might want to comment, is that to charge for the  
19 program or for some type of stewardship activity  
20 would actually require an amendment to our cost  
21 recovery regulations as they stand today. I don't  
22 want to speak for legal counsel, but that's my  
23 understanding.

24 If you have an opportunity to read  
25 through those cost recovery regs, they read something

1 like the responsible land manager and TVA will only  
2 undergo that application provided the applicant pays  
3 the average costs and the responsible land manager  
4 shall set that average cost or set the fee for TVA.  
5 So that's really the way our structure or our  
6 regulations and really why we have the fee structure  
7 we do today.

8 FACILITATOR WILSON TAYLOR: Mark  
9 Iverson.

10 MR. MARK IVERSON: Thank you, Wilson.  
11 Again, kind of quick math. In the period from '98  
12 through 2012, approximately about a 40 percent  
13 inflation rate. I'm just curious why the  
14 non-standard fees haven't had some type of at least  
15 an amount increase?

16 MS. KAREN RYLANT: In non-standard?

17 MR. MARK IVERSON: Yes. Because those  
18 numbers, I think, that's being proposed to be the  
19 same from what they are currently being charged?

20 MS. KAREN RYLANT: Because we are  
21 already through our process recovering all of the  
22 costs associated with the review.

23 Once the cost — we track in each  
24 individual account each non-standard project and once  
25 the costs we accrue exceed either 1,000 or 500,

1 depending upon the application fee, we begin to bill  
2 the customer monthly. We do not issue the permit  
3 until they have paid all their -- when we're ready to  
4 issue, we've completed our review, until the  
5 applicant pays all of their invoices in full is when  
6 TVA issues the permit.

7                   So from TVA's perspective we're  
8 already recovering all of our costs and we don't see  
9 a need at this time to raise that application fee.  
10 If you look on -- I think it's the second page that  
11 has particular ranges in non-standard projects, you  
12 can see sometimes they run a 1,000 to 3,000 depending  
13 upon the level of environmental review. So you  
14 almost have to know. It would be difficult to set up  
15 a fee structure that would be fair.

16                   Excuse me.

17                   MR. BOB MARTINEAU: The fee is just  
18 like a retainer?

19                   MS. KAREN RYLANT: It initiates the  
20 review, the initial application fee.

21                   FACILITATOR WILSON TAYLOR: Anything  
22 else, Mark?

23                   MR. MARK IVERSON: I understand.

24                   FACILITATOR WILSON TAYLOR: All right.  
25 Avis.

1 MS. AVIS KENNEDY: I just want to say  
2 that Karen has got the Corps figured out. You're  
3 exactly right the way you stated that the Corps does  
4 divide the permits up a little bit differently, but  
5 we receive appropriated funds to cover the costs of  
6 issuing them or the programs wherein they are issued.

7 Some of what is categorized as minor  
8 construction on reservoir, specifically boat docks  
9 and community docks, the Corps not having a law that  
10 says it has to recover its cost has not increased its  
11 fees for those shoreline use permits fees on Corps  
12 land since 1973.

13 So when everybody takes off their  
14 ratepayer hats and puts on their taxpayer hats, they  
15 can consider that one.

16 FACILITATOR WILSON TAYLOR: Thanks,  
17 Avis.

18 W. C.

19 MR. W. C. NELSON: I just had a  
20 question about the off reservoir projects in the  
21 26(a) to those projects. The way this reads to me is  
22 that any perennial river or any stream in the  
23 Tennessee River Watershed would need a 26(a). If you  
24 wanted to put a culvert in or a bridge across the  
25 creek, well, that's not happening. I can assure you

1 that that's not happening at all.

2 The only 26(a) that I know of in North  
3 Georgia that anyone knows anything about is a boat  
4 dock permit or a fill or an excavation, you know, on  
5 the lakes. All of the streams -- if you were to get  
6 26(a)'s for all of those you --

7 MS. KAREN RYLANT: We would be hiring  
8 more employees.

9 MR. W. C. NELSON: You would be hiring  
10 if somebody doesn't shoot you first.

11 MS. KAREN RYLANT: You're correct.

12 MR. W. C. NELSON: Because that's not  
13 being regulated. And what is a regulated river or  
14 stream?

15 MS. KAREN RYLANT: It's the river  
16 directly below the dams that is impacted by the  
17 operation of the dams.

18 MR. W. C. NELSON: Okay. But any  
19 watershed stream is supposed to have a 26(a) if you  
20 put a culvert in or a bridge?

21 MS. KAREN RYLANT: That's correct.

22 MR. W. C. NELSON: You need to modify  
23 that because it's not happening and it's not going to  
24 happen. Nobody knows about it. That's the first  
25 time I've ever heard of it.

1 FACILITATOR WILSON TAYLOR: John.

2 MR. JOHN MATNEY: Can we assume that  
3 the proposed increases will take into a break-even  
4 number? Is that your proposed increases?

5 MS. KAREN RYLANT: I think by the  
6 definition of average, you could say it should.

7 MR. JOHN MATNEY: Then on the second  
8 question, does -- do you have a recommendation for a  
9 periodic evaluation, in two years, three years there  
10 should be this small annual increase?

11 MS. KAREN RYLANT: I think we should  
12 do it more frequently than 14. Of course, we're  
13 asking -- how is that for a good answer? We're  
14 asking for your input on that.

15 I really don't know what a good cycle  
16 would be. I have thought about that. I think TVA  
17 should know its cost every year. I think we should  
18 be, in my opinion, evaluating and assessing our costs  
19 after each fiscal year.

20 Now, when we have enough new data to  
21 determine how that changes the average, if it does  
22 change the average, that's the type of I think more  
23 ongoing evaluation we should be doing.

24 I think if TVA has -- you know, if we  
25 change our process or procedures significantly in a

1 way that we think, hey, that new process is going to  
2 significantly increase our efficiency and we're going  
3 to be able to issue a permit in half the time now,  
4 then I think we need to step back at that point  
5 certainly, whenever it is, and try to assess the  
6 savings in that efficiency.

7 FACILITATOR WILSON TAYLOR: Tom.

8 MR. TOM LITTLEPAGE: In terms of  
9 W. C., let's hope this doesn't turn to a waters of  
10 the U.S. discussion because I'd leave in a hurry.

11 This also has the potential of being  
12 one of the more interesting Council discussion  
13 topics. So I think a lot of this will be focused  
14 tomorrow.

15 Just in terms of the concept you  
16 described for the information relative to the fee  
17 process, I just want to understand, currently there  
18 is no monitoring? In other words, the concept of  
19 monitoring a permit is built into the stewardship  
20 activities unless there's some specific reason to  
21 investigate somebody's compliance with their permit,  
22 is that correct?

23 MS. KAREN RYLANT: As far as  
24 violations?

25 MR. TOM LITTLEPAGE: In terms if I get



1 a permit, to what degree is anybody looking to see  
2 that I am staying in compliance with that permit?

3 MS. KAREN RYLANT: We do compliance  
4 checks each year on a certain percentage of our  
5 permits, and we also do, oh, semi-annual or annual  
6 shoreline inspections and at that —

7 MR. TOM LITTLEPAGE: And if — I'm  
8 sorry. Go ahead and finish.

9 MS. KAREN RYLANT: That's another way  
10 we would find out about violations. Sometimes  
11 neighbors are very happy to call in and tell us, too.

12 MR. TOM LITTLEPAGE: So are those  
13 costs calculated? In other words, when you talk  
14 about cost recovery, does it — is there any aspect  
15 of compliance built into that?

16 MS. KAREN RYLANT: No, that's not in  
17 the application fee. I think that gets to even talk  
18 about the actual program, the cost of the permitting  
19 program as a whole, should that be reflected in the  
20 application fee?

21 Today it's not and probably is not —  
22 would not be authorized by our regulations. It might  
23 require an amendment to those regulations.

24 MR. TOM LITTLEPAGE: Okay.

25 FACILITATOR WILSON TAYLOR: Bob.

1 MR. BOB MARTINEAU: This question  
2 could lead into the discussion tomorrow. The way the  
3 regs are written now, do you have to propose and go  
4 out for comment to raise the fee? Are the fees --  
5 the numbers in the regs or does the reg just say  
6 shall recover a fee that covers your costs and so you  
7 can just announce, here's our new fee structure?

8 MS. KAREN RYLANT: It's the latter.

9 MR. BOB MARTINEAU: You can just say  
10 tomorrow it's the new fee.

11 FACILITATOR WILSON TAYLOR: Karl.

12 MR. KARL DUDLEY: Yes. Transfer of  
13 ownership, I think you mentioned there was maybe 300  
14 in an average year, does that sound right?

15 MS. KAREN RYLANT: I said about 100.

16 MR. KARL DUDLEY: Okay. Good. I  
17 wrote down two numbers and I couldn't decide which  
18 one was right.

19 How do we -- Pickwick Lake area,  
20 there's more than 100 transfers on that lake itself  
21 annually, I am fairly sure of that. So is there some  
22 way we go to the county court office and check the  
23 land transfers or do they notify y'all? How do you  
24 know that a property has transferred?

25 MS. KAREN RYLANT: We can't know that

1 a property has transferred. When we issue the permit  
2 there is actually a condition of the permit that  
3 tells that current owner if it -- if the property  
4 ownership changes, the new owner is required to  
5 contact TVA.

6 I think in the past TVA has done some  
7 Public Service Announcements regarding those matters,  
8 but it's not commonly known. The rules actually  
9 provide that you should contact TVA within 60 days.

10 I can tell you it's often longer than  
11 60 days. Eventually people want to do construction  
12 or modifications to their facilities, and that's when  
13 we discover the property has been transferred.

14 MR. KARL DUDLEY: Would that be an  
15 area that your department would consider with today's  
16 ability to access all of the records in every  
17 courthouse in the seven state area or do you think it  
18 wouldn't be worth the time?

19 MS. KAREN RYLANT: It would require an  
20 awful lot of time to review those records.

21 MR. KARL DUDLEY: Okay. One final  
22 question and I will try to shut up. How many 26(a)  
23 permits are in force today?

24 MS. KAREN RYLANT: Approximately  
25 50,000 active permits across the reservoir, across

1 the watersheds.

2 MR. KARL DUDLEY: And Karen, you will  
3 be here in the morning?

4 MS. KAREN RYLANT: Correct.

5 MR. KARL DUDLEY: Thank you.

6 MS. KAREN RYLANT: I would like to  
7 modify one response that I gave about the water  
8 intakes. They are -- after I answered the question,  
9 they are a standard application unless the diameter  
10 of the pipe exceeds a certain number, and then they  
11 are considered non-standards full cost recovery. So  
12 they can be in both categories depending upon really  
13 the volume of water.

14 FACILITATOR WILSON TAYLOR: Deb.

15 CHAIR DEBORAH WOOLLEY: I am not a  
16 lawyer and I am not a permit person. So there's  
17 people that are both around the table. If the law  
18 requires -- I assume because you can issue the permit  
19 it's a law. So if the law requires a change of  
20 permit when there's a change of ownership, have  
21 you-all worked with lending agencies, county  
22 registers of deeds, anything else that would say this  
23 isn't a complete title transfer? Has that part been  
24 done?

25 I mean, it seems like there would be

1 partners in this that doesn't mean you have to sit  
2 and look for them, but if that's a requirement of the  
3 law it would --

4 MS. KAREN RYLANT: Now, the permit is  
5 not tied to the title necessarily. I mean, it's not.  
6 So it wouldn't show up on a title search.

7 We have in the past done some -- I  
8 guess called just the regional offices and have  
9 gotten real estate groups together and going to speak  
10 with different associations to try to educate them on  
11 permitting in general.

12 CHAIR DEBORAH WOOLLEY: Let me ask  
13 this question. If I bought a house from Karl and he  
14 had a dock he had permitted and we didn't change it  
15 and you find out three years later, can anything  
16 happen to me?

17 MS. KAREN RYLANT: We're going to hand  
18 you a permit application and ask you to submit that  
19 for TVA.

20 CHAIR DEBORAH WOOLLEY: And if I  
21 don't?

22 MS. KAREN RYLANT: If you don't submit  
23 that we will go through a process which could end up  
24 in revoking your permit or his permit.

25 CHAIR DEBORAH WOOLLEY: Does that mean

1 you're going to come tear my dock down?

2 MS. KAREN RYLANT: We might eventually  
3 get to that enforcement where we come and remove the  
4 facility.

5 CHAIR DEBORAH WOOLLEY: Which then to  
6 me somehow gets back into the truth in selling and  
7 everything -- that's what I'm trying to work my way  
8 back and say there it ought to be somewhere a red  
9 flag goes up to somebody that's not dotting every I  
10 and crossing every T, and I just wondered if you have  
11 pursued any of those.

12 FACILITATOR WILSON TAYLOR: Let's go  
13 to W. C.

14 MR. W. C. NELSON: Deborah, I'm just  
15 going to say that most closing attorneys now that I  
16 am aware of, if it's lake property, are transferring  
17 the 26(a) to the new party. Now, that's just part of  
18 the transaction. If it's a lake house, it's getting  
19 done. It didn't used to be, but it is getting done  
20 now.

21 CHAIR DEBORAH WOOLLEY: With the  
22 number she's saying it's happening and with the  
23 number of sales on lakes, do you think that's adding  
24 up?

25 MS. KAREN RYLANT: Let me reiterate

1 about that number that may have been overlooked in my  
2 comments.

3 From our perspective we have only  
4 issued 100 transfers because a transfer from TVA's  
5 perspective is a permit that exactly replicates the  
6 previous permit.

7 Most of the requests we get from new  
8 property owners have had modifications made to those  
9 facilities that they have constructed without our  
10 approval. So from our records standpoint, they are  
11 not going to show up as a transfer. They are going  
12 to show up as a standard application.

13 And in today's world, if we proceeded  
14 with these increases and you bought his property and  
15 his facility and maybe he modified it without asking  
16 TVA, when you came to us for your permit there would  
17 be a \$500 charge rather than a 250 charge because  
18 it's not a true transfer. There was construction  
19 that has been completed without TVA's approval and  
20 TVA needs to review that construction and that  
21 facility.

22 So it's not that we're not finding out  
23 about all of these transfers, it's that the bulk of  
24 them have had modifications made of some kind.

25 FACILITATOR WILSON TAYLOR: Bill.

1 MR. BILL FORSYTH: I was just going to  
2 say what W. C. said, that most of the time the  
3 attorneys take care of that.

4 FACILITATOR WILSON TAYLOR: Okay.  
5 Tom.

6 MR. TOM LITTLEPAGE: Yeah. I have a  
7 quick follow-up to the scenario that Deb alluded to.  
8 Is there any attached liability to the seller if the  
9 buyer does not change the title of the permit and  
10 there's something out of compliance? Is there any  
11 liability associated with the seller since the permit  
12 is still in their name?

13 MS. KAREN RYLANT: That would be  
14 between the owner -- the old owner and the new owner  
15 and that would all be handled in private court, is  
16 that what you're asking?

17 MR. TOM LITTLEPAGE: So TVA would go  
18 to the holder of the permit and say it's out of  
19 compliance. So there is some potential liability.

20 MS. KAREN RYLANT: Well, he would not  
21 be the landowner.

22 DFO BRUCE SCHOFIELD: We would go to  
23 the new owner and tell them that they have an  
24 unpermitted structure and that they need to get it  
25 into compliance either through a new permit that



1 permits the as-built or to modify it back to the  
2 existing permit requirements.

3 MR. TOM LITTLEPAGE: Even if the owner  
4 had done something way out of compliance before the  
5 transaction?

6 MS. KAREN RYLANT: Correct.

7 DFO BRUCE SCHOFIELD: Because they are  
8 now -- they are now the ones that --

9 MS. KAREN RYLANT: They are the  
10 owners.

11 DFO BRUCE SCHOFIELD: They are now the  
12 ones that own the property that that facility is  
13 connected to.

14 MR. TOM LITTLEPAGE: That makes sense.

15 FACILITATOR WILSON TAYLOR: Mitch.

16 MR. MITCH JONES: Wilson, just two  
17 quick things. I want to make sure Karen and I are on  
18 the same page because this is important to me as you  
19 can tell.

20 We have a non-standard process in  
21 place now that commercial operators pay the TVA for  
22 their costs associated for permitting, and we're  
23 going to talk tomorrow about how TVA can get out of  
24 that part of the business and allow the commercial  
25 operator to go out and hire the different approved

1 parties to keep those costs down, is that part of  
2 your agenda for tomorrow's question?

3 MS. KAREN RYLANT: I'm not sure I  
4 understand what you're saying. Are you talking about  
5 recreation land use agreements or are you talking  
6 about Section 26(a) permit costs?

7 MR. MITCH JONES: 26(a) permits. I am  
8 the commercial operator and I am a non-standard. So  
9 I am a thousand bucks no matter how I slice it. Then  
10 I am going go build 25 new slips or a restaurant or  
11 what-have-you, there are a group of fees that are  
12 associated with that process. Our association, in  
13 working with Bruce and his staff, are doing all that  
14 we can to take that burden away from TVA and do it  
15 ourselves and get it accomplished, is that part of  
16 your conversation for tomorrow?

17 MS. KAREN RYLANT: So you want to be  
18 able to do the environmental review instead of TVA  
19 doing the environmental review?

20 MR. MITCH JONES: You have picked the  
21 one that we would not be interested in doing. There  
22 are seven or eight that we would. That's one that we  
23 would not.

24 DFO BRUCE SCHOFIELD: No, because if  
25 you -- we are not proposing tomorrow a change to the

1 non-standard fees because they are full cost  
2 recovery.

3 Now, if there's some advice I think  
4 that someone wants to provide us we're open to that  
5 particular advice, but we're not looking at  
6 entertaining that. That is an offset calculation  
7 because what it does is it -- we will recover the  
8 full costs. We're going to go ahead and get full  
9 cost recovery for those actions.

10 MR. MITCH JONES: You know where I'm  
11 going?

12 DFO BRUCE SCHOFIELD: And if there's a  
13 way that full cost recovery goes down it -- you know,  
14 we're going to charge you for what we do. If we can  
15 meet our federal obligations to the 26(a) to another  
16 method which takes the burden of that cost off of TVA  
17 and puts it on to you in some other manner where you  
18 can do it cheaper but it still meets all of the  
19 requirements, we will entertain that, but that really  
20 isn't what we're asking for advice on.

21 CHAIR DEBORAH WOOLLEY: I think if you  
22 look at the first question tomorrow it's an  
23 opportunity under that to talk to the establishment  
24 of it and that that's where we should get it on the  
25 record as a part of the advice.

1 MR. MITCH JONES: That's part one and  
2 I will leave this alone.

3 FACILITATOR WILSON TAYLOR: Do you  
4 have another one, Mitch?

5 MR. MITCH JONES: I have got one more  
6 point. There are homeowners out here along the  
7 50,000 that own the dirt under the water fee simple,  
8 does everybody know that?

9 All right. So you have some  
10 opportunities or some situations where I, as a  
11 homeowner, build -- come to you to buy a dock or to  
12 build a dock or to make a renovation to the dock and  
13 it's on my grounds and I give you a flowage easement  
14 to flood the property. So that's one side of the  
15 coin.

16 The other side of the coin is I may  
17 own the dirt down to the 500 year flood and then from  
18 that point it's TVA property.

19 Have you given any consideration to  
20 having a different schedule for those two differences  
21 of ownership?

22 MS. KAREN RYLANT: We have not.

23 MR. MITCH JONES: That's all I've got.

24 FACILITATOR WILSON TAYLOR: John.

25 MR. JOHN MATNEY: I assume that you

1 have the 50,000 applicants in a database?

2 MS. KAREN RYLANT: Yes. We have the  
3 permits in an electronic database. We have active  
4 permits. We have issued far more than 50,000 since  
5 TVA's existence, but that's how many are active.

6 MR. JOHN MATNEY: Do you have any type  
7 of mail-out that you mail to these 50,000 folks or  
8 bring them up-to-date on, you know, any changes that  
9 are forthcoming?

10 MS. KAREN RYLANT: We do have a  
11 customer list that we can pull out.

12 MR. JOHN MATNEY: Okay. So you can  
13 access all the permittees?

14 MS. KAREN RYLANT: Provided the  
15 ownership hadn't changed and we don't know about it.

16 FACILITATOR WILSON TAYLOR: Anything  
17 else?

18 Madam Chairman, anything else?

19 CHAIR DEBORAH WOOLLEY: No. You have  
20 got — everybody has got what, 15 hours to think of  
21 their points for tomorrow, and I think they are going  
22 to be good. We can have more pecan pie for breakfast  
23 and we will really get going.

24 FACILITATOR WILSON TAYLOR: I want to  
25 close with a couple of things. We have a

1 photographer here who would like to get a picture of  
2 the class of — you know, this class. So if you  
3 would hang around here a minute after Bruce and Joe  
4 give their final remarks.

5 I want to thank each of our presenters  
6 today. So I think we had a really good day.

7 Bruce, I would like for you and Joe to  
8 close, but if you would hang around, we want to get a  
9 group picture for posterity's sake.

10 DFO BRUCE SCHOFIELD: Well, I do want  
11 to appreciate the — those who served on the Sixth  
12 Council and some who served, one, two, three, four —  
13 five of the six Councils to go do that, and I  
14 appreciate that.

15 I think it's been a good discussion.  
16 I too want to thank the presenters. I think they  
17 were well prepared and able to answer questions. We  
18 will follow up with any questions we need to in the  
19 morning. I think it's going to be a lively  
20 discussion tomorrow.

21 Joe.

22 MR. BILL FORSYTH: What time do we  
23 start in the morning?

24 FACILITATOR WILSON TAYLOR: We start  
25 at 8:00.

1 DFO BRUCE SCHOFIELD: 8:00. We will  
2 be in this room.

3 MR. MITCH JONES: Anybody on the  
4 schedule for public comments tomorrow?

5 DFO BRUCE SCHOFIELD: We have one  
6 individual who has signed up that I know of for the  
7 public listening session.

8 FACILITATOR WILSON TAYLOR: One last  
9 thing right quick. On the badges, if you would turn  
10 those in and pick those back up in the morning.  
11 Thanks.

12 Joe.

13 MR. JOE HOAGLAND: So, I mean, I will  
14 just follow to what Bruce said, I thought today was  
15 good conversation. This discussion this afternoon I  
16 thought was particularly interesting. I am really  
17 looking forward to tomorrow because I think it will  
18 be a good discussion. It's an area we have been  
19 talking about internally for quite awhile and trying  
20 to decide where is the best place for us to land. So  
21 this will be a good discussion, and we appreciate the  
22 input.

23 FACILITATOR WILSON TAYLOR: Okay. For  
24 those that are going to dinner, where is the pickup?

25 MS. BETH KEEL: Right across the

1 street at Crown Plaza.

2 FACILITATOR WILSON TAYLOR: At 5:45?

3 MS. BETH KEEL: At 5:45.

4 FACILITATOR WILSON TAYLOR: Okay.

5 Where do you want everybody for the group picture?

6 MR. MITCH JONES: I was going to say,  
7 Wilson, where are we going to dinner?

8 FACILITATOR WILSON TAYLOR: We're  
9 going to dinner to The Orangery.

10 MR. MITCH JONES: Wow.

11 MS. BETH KEEL: We have three vans to  
12 take you-all so you don't have to get your cars out.

13 MR. MITCH JONES: It's expensive. I  
14 like going.

15 CHAIR DEBORAH WOOLLEY: Add that in  
16 your permit fee, Mitch.

17 MR. MITCH JONES: I vote that we raise  
18 everybody's fees to \$5,000 a year and we can eat at  
19 The Orangery every time we have a meeting.

20 FACILITATOR WILSON TAYLOR: We're  
21 adjourned.

22 END OF FIRST DAY

23

24

25